

The EU stifled most of the UK economy – now freed up by Brexit

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Proposed new Swiss Free Trade Agreement exposes the EU's flaws.... again

Facts4EU.Org has analysed the latest figures for services exports released yesterday by the Office for National Statistics and compared them with the Referendum year of 2016. These show that...

80% of the growth in exports from the most important sector of the British economy has come from outside the EU.

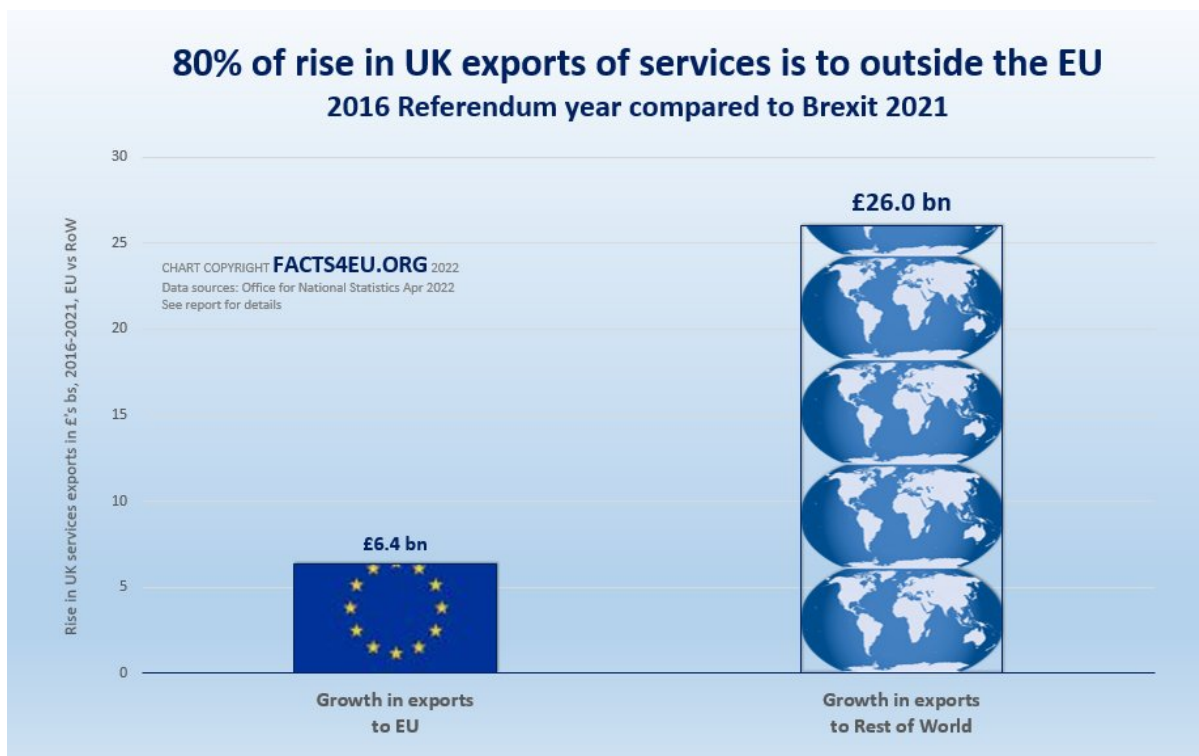
It is well-known that around 80% of the UK's economy is based on services. With new Swiss free trade negotiations announced yesterday, Facts4EU.Org looks at how the EU never represented the UK's economic interests while the UK was a member.

Yesterday (28 April 2022) the Government announced it had kickstarted work for a new enhanced trade deal with Switzerland, after Boris Johnson hosted Swiss President Ignazio Cassis for bilateral talks in London.

BREXIT FACTS4EU.ORG SUMMARY

Majority of growth in UK export of services has come from non-EU countries

- Since 2016, UK annual services exports have risen by £32.4bn
- £26.0bn of this growth has come from the rest of the world
- That's 80% of UK's export growth in services coming from non-EU countries



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[Source: Office for National Statistics, 28 Apr 2022]

The enhanced deal with Switzerland aims to boost two-way trade between two of the world's biggest services superpowers through measures including breaking down barriers and opening up access for UK firms to the Swiss market.

Yesterday International Trade Secretary Anne-Marie Trevelyan

said:



"A new enhanced trade agreement with Switzerland is a huge opportunity to liberalise trade with our 10th largest trading partner and unlock new opportunities for our world-leading services sector."

"As two services superpowers, we have a huge opportunity to negotiate a modern, ambitious, unprecedented deal that will boost both our economies and show the world what is possible between two like-minded and innovative nations who are firmly within Europe but outside of the EU."

– The Rt Hon Anne-Marie Trevelyan MP, Secretary of State for International Trade, 28 Apr 2022

When EU eventually did trade deals, these didn't include UK's strongest suit: Services

Switzerland is already an important partner for the UK, with bilateral trade worth nearly £35 billion annually. Many UK businesses benefit from tariff free trade on most goods under the UK's existing trade agreement rolled over from the EU, but the current deal does not cover services.

The existing Swiss deal is typical of most EU trade deals. When these deals eventually happened – and they typically took a decade or more – they benefited German, French and Italian

manufacturers, **but did nothing for the UK's strongest sector – services.**

Now that the UK is freed from the EU's shackles and can negotiate trade deals suiting the British economy, the UK's premier role as a global provider of services looks set be enhanced even faster than it already is.

UK is second-largest exporter of services in the World



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In 2020, the United Kingdom was the second-largest exporter of services to the world, with exports worth £266.8 billion. Switzerland was 12th largest, with £89.6 billion.

Since the Referendum year of 2016, it is clear many British companies have started thinking globally, rather than looking at our closest neighbours in the EU. Commenting, TheCityUK's MD for International Trade and Investment, Nicola Watkinson, said:

"As the first and third largest net exporters of financial and related professional services globally, the UK and Switzerland have a great deal to gain by setting a new gold standard for services trade between two sovereign nations."

"In the UK, nearly half of these exports are generated outside London, in towns and cities right across the UK, so making progress with this agreement can deliver real benefits to

local jobs and prosperity. In the long term, a free trade deal with Switzerland will complement wider progress towards mutual recognition, and can be used as the model for new-generation trade deals with other partners worldwide.”

OBSERVATIONS

How the UK was held back by the EU

Whilst the UK was still a member of the EU it was expressly forbidden by the EU Commission to hold trade talks with any other country. This was the preserve of the all-powerful – yet unelected – Commission.

It did not matter that the Commission worked at a snail's pace. On Monday we revealed that the Commission started trade talks with the world's largest democracy and second-largest country by population (India) 15 years ago... and got nowhere. Now, the Indian government has committed to doing a UK-India trade deal **this year**.

Under Dr Liam Fox, then Liz Truss, and now Anne-Marie Trevelyan, the new Department for International Trade has been working at high speed to correct the EU's years of neglect of the UK's economic interests.

One of the worst aspects of the EU Commission's power grab over trade – aside from its sloth-like pace – was the fact that the trade deals it negotiated barely had any mention of services. Given that almost 80% of the UK's economy is based on services, the British people were massively disadvantaged compared to their continental neighbours.

The Brexit Benefit

Now all that has changed. One of the many benefits of Brexit is that the UK is finally free to strike advantageous deals

with countries around the world, including those whose growth rates are far in excess of the EU's and who actually like the UK.

The news yesterday that the UK is embarking on new trade discussions with Switzerland – a very important trading partner for our services sector – is very welcome. This comes on top of all the other UK trade discussions and agreements we have reported on in the last couple of years.

Rejoiners are fond of asking “*Can you show me one benefit of Brexit?*” The answer is no – we can show you countless examples of the benefits of Brexit. Being free to organise our trading relationships to the best advantage of the British people just happens to be one of them.

[Sources: Office for National Statistics | Cabinet Office | Dept for International Trade] Politicians and journalists can contact us for details, as ever.

Brexit Facts4EU.Org, 29 Apr 2022