

# 'What the other side are up to'

## *A report from behind the lines with your CIBUK*

In this generational battle for the heart and soul of nation-state democracy, it is sometimes worth venturing behind the lines to discover what the other side are up to.

In that spirit, your correspondent signed up to an event hosted by the pro-Remain campaign group **UK In a Changing Europe** (UKICE) which took place on the last day in January amid the Gothic splendour of The Institution of Civil Engineers (ICE) on Great George Street in the shadow of Westminster Abbey.

The venue itself was impressive enough. The fact that this all-day event, which included a continental breakfast and a sumptuous buffet lunch was also hosted free of charge indicates quite how deep the resources of our opponents run. Our chairman has said so often enough. This particular event underlined the point.

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We were welcomed by the campaign group's director Professor Anand Menon who declared that the purpose of the event was to try and discuss economic ideas in a way that was accessible to members of the general public.

It is not our place to publicise still less endorse the views of our campaign opponents but scrutinising their work and examining their recommendations on future UK-EU relations

certainly is.

## **UKICE: Reviewing the Trade and Co-operation Agreement (TCA)**

What follows is a summary by UKICE of the effects of the EU-UK Trade and Co-operation Agreement (TCA) on the British economy over the past three years following its ratification by both sides in 2020.

While the presentations were mainly moderate in tone and content, their conclusions had an unmistakable pro-EU bias which left them open to challenge and rebuttal. What was particularly striking was the unquestioning faith the panellists still had in the European Union as a viable political and economic entity.

As the report below makes clear, we have sought to challenge some of their conclusions with facts-based research of our own, highlighting the folly of falling back into general alignment with the EU as the panel recommends.

## **Britain's global economic and trade strategy: how do we make Brexit work?**

### **Effects of Brexit on UK Trade**

Thomas Sampson, Associate Professor at the Department of Economics at the LSE kicked things off by reporting on the effects of the Trade and Co-operation Agreement (TCA) on firms who trade with the European Union. The research was based on detailed firm-level customs data collected by HMRC on a sample of between 20,000 and 30,000 UK firms.

## **TCA's effects on exports to EU relative to the rest of the world**

Unsurprisingly smaller firms, which did not have the internal capacity to adapt quickly to the new regulatory environment, experienced an obvious drop in exports to the EU once the TCA came into effect.

For larger firms (the top 15%), which did have the capacity to adapt, there was no obvious change or decline.

Measuring the aggregate of the two sets of data, they calculated that the median effect of the TCA across a range of firms from large to small was a drop-off in exports to Europe of around 13% relative to the rest of the world.

## **TCA's effects on imports from EU**

In relation to imports, the differential between large and small firms is much less pronounced. It appears that the effects of the TCA have been to reduce imports from the EU relative to the rest of the world by 28% for the average importer irrespective of their size.

## **Service Sector**

Professor Sampson acknowledged that the data in relation to the service sector is a great deal more positive as far as the TCA is concerned. He said it was much harder to detect a negative effect on the services sector as a whole, either by exports or by imports.

## **Rebutting the UKICE Conclusions**

He concluded his lecture by stating that the UK should '*move on from Global Britain*' as a motivating strategy for UK trade.

He said that divergence has not really happened and urged the government to re-align itself with the EU. He also cited the geo-political uncertainty around the world as a reason to hunker down with those closer to home.

Unsurprisingly, your CIBUK vigorously contests these conclusions for a whole raft of reasons.

## **A thousand reasons not to re-join the EU**

As readers will know, the mountain of evidence pointing the other way is simply overwhelming as our daily research-based affiliate reports demonstrate.

CIBUK has a dedicated webpage rebutting anti-Brexit narratives. It draws on experienced practitioners who are expert in their field, to counter the litany of false claims and mis-leading assertions with established fact and empirical evidence.

**Click this link or the image below to access it:**  
<https://cibuk.org/brexit-cib-rebuttal-unit/>



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## **Brexit Bonanza**

To take but one example: exports to the non-EU world are up by 57% since the Referendum. So much for '*moving on from Global Britain.*'

On a range of other economic criteria Brexit Britain is also powering ahead while the EU remains in the doldrums.

## **Costs of realignment**

Incredibly, not a single mention was made throughout the day by any of the panellists of the dangers of realigning with the EU.

Do they honestly think that even a general realignment will be cost free? Strapped for cash as they are, the EU would surely come rattling the tin as a price for '*enhanced co-operation.*'

Imagine also if we hadn't left the EU when we did. For one thing the UK would be on the hook for its share of combined EU debt.

For another, the sheer weight of regulation now spewing out of Brussels makes the task of doing anything almost impossible.

We could go on. Suffice to say the government should be doubling down on its efforts to promote global Britain, not

retreating into the EU's orbit as the panel suggest.

## **Post-Brexit Immigration System: how is it serving the UK economy?**

Not very well was the diplomatic inference from our next speaker, Madeleine Sumption, Director of the Migration Observatory at Oxford University and daughter of distinguished lawyer Lord Jonathan Sumption.

If, as she said, the promise was to create a system to reduce immigration which was much more skill-selective and designed to facilitate the types of highly skilled immigration that the UK economy needs, then the current policy can be regarded as an unutterable failure.

For example, almost all policy thinkers now believe the current system of subsidising the social care sector by importing 100,000 care workers a year from overseas is unsustainable. The only way to address the underlying problem is to pay care workers properly and to recruit from within our own country.

On that at least there is a measure of common agreement between us.

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## ***CIBUK pays tribute to Pam Moorhouse***

Finally, we would like to pay tribute to Pam Moorhouse, founder of the British Counties Campaign, an affiliate organisation of CIBUK, who died on 1<sup>st</sup> February this year aged 77.

For more than fifty years, Pam Moorhouse spearheaded a campaign to restore the 92 counties of the United Kingdom,

following the Heath government's decision to redraw the administrative map to reflect changing economic realities.

In championing Britain's historic counties and their local heritage, Pam spoke for millions and CIBUK are proud to endorse the British Counties Campaign among its affiliates.

A copy of her obituary which was published in the Telegraph, can be found [here](#).

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*As a post-script I would like to thank UKICE for their hospitality in staging last week's event.*

*Whether the UK is fated to sink into 'ever closer alignment' with the EU as they recommend remains to be seen. We can only do our bit by campaigning to ensure that does not happen.*

With all best wishes

**Ben Philips**

**Communications Director, CIBUK.org**