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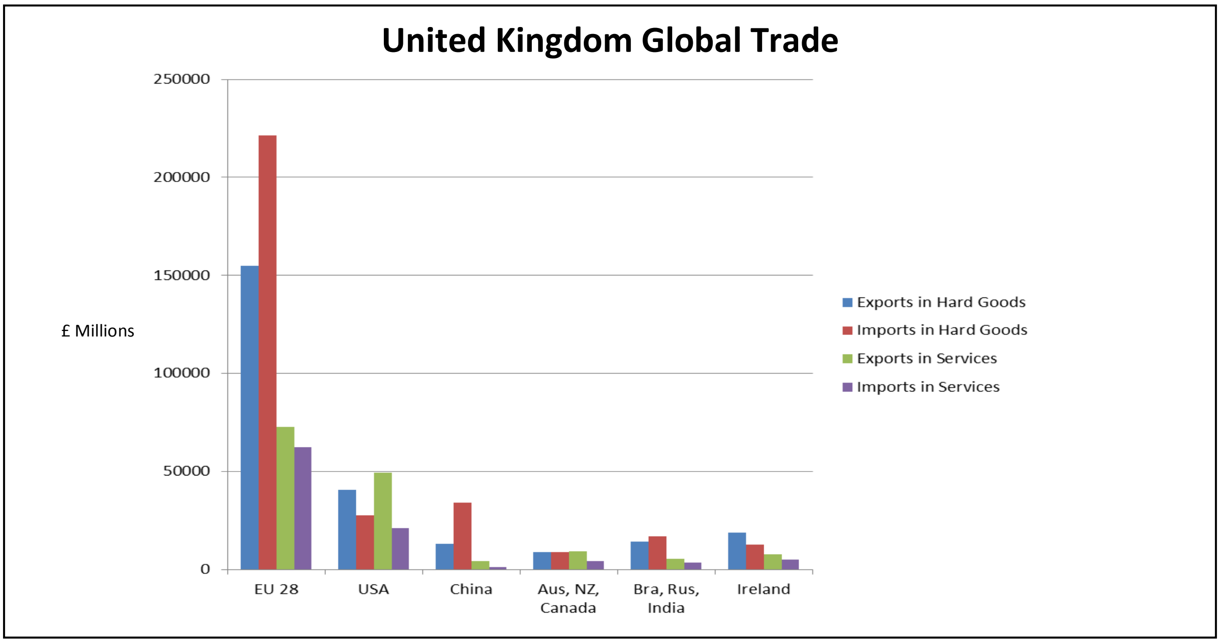
Myth-busting United Kingdom Trade with the World



(Source: UK Office of National Statistics – Pink Book 2014)

This graph compares the UK's trade in hard goods and services with EU28, the USA, China, Australia, New Zealand and China, Brazil, Russia and India, and Ireland. It shows in stark terms the importance of EU28 trade, particularly trade with Ireland, in comparison with other major global players.

1. **'Our most important markets are China and the US – not the EU'**
   Not true. The EU is the world's biggest single market, and it's far and away our biggest trading partner, amounting to 44.6% our exports and 53.2% of UK imports of goods and services. The EU is particularly important to smaller firms with over 60% of their exports going to the EU.

2. **'The EU needs us as a trading partner'**
   This implies that the EU is more dependent on us than we are on them. UK exports to other EU countries amount to 14% of our GDP; conversely, trade with the UK for other EU countries equals around 3% of EU GDP. The rest of the EU is far more important as a trade partner for us than we are for them – which suggests the opposite balance of power in negotiations post-'Brexit'.

3. **'If we quit the EU, we could go global'**
   Not quite. The Leave campaign claims that we could get better trade deals if we negotiated them separately as Britain. Firstly, we will have to negotiate new trade deals with countries across the world, to replace the ones we currently have via the EU (more than 50 countries). Secondly, chances are small that we'd be able to secure a better deal than we already have, negotiating with China, Japan, the US and others just as Britain alone. We are an important market for those countries, but nowhere near as significant as the EU as a whole – the world's largest single market.

   Even President Obama has said that the 'UK is going to be at the back of queue' for a free trade deal with the United States – only after the EU-US deal has been concluded, which could be five or even ten years from now.

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