

# BRITISH CHAMBERS OF COMMERCE EU REFERENDUM BRIEFINGS

## TRADE WITH NON-EU MEMBER STATES WITHOUT EXISTING EU TRADE AGREEMENTS

Focus groups held at Chambers across the country over Q4 2015 - Q1 2016 raised the UK's future trading relationship with non-EU states as a core issue for this referendum. Trade agreements, which are currently negotiated by the European Commission for the EU as a whole, are in place with some of these countries. They stipulate preferential terms for international trade and typically cover import/export duties, customs requirements and product standards. But some major markets, including the US, are not currently covered. Our focus group demanded more clarity on how the referendum would impact on future international agreements covering trade with UK-based firms.



The UK is one of the world's most open economies with the combined value of exports and imports equal to 60% of GDP. Non-EU states, collectively, receive 55% of what the UK exports overseas by value, and account for 47% of imports into the UK.



### \*The official Leave campaign says:

“ Outside the EU, the UK will take back control of powers to secure its own free trade agreements. The majority of our exports now go to countries that are not members of the EU.

The UK is likely to conclude far more valuable free trade agreements outside the EU. In 2015, the aggregate GDP of all the countries with which the EU had a trade agreement in force was \$7.7 trillion. By contrast, the aggregate GDP of all countries with which Chile had trade agreements was \$58.3 trillion. The figure for South Korea was \$40.8 trillion and for Switzerland it was \$39.8 trillion.

It is likely that new agreements will be concluded relatively rapidly. The US-Australia Free Trade Agreement, for example, was concluded in less than two years. Likewise, the Switzerland-China free trade agreement was negotiated in a little over two years.”

### \*The official Remain campaign says:

“ Remaining in the EU will mean continuing our unfettered access to the 500-million-person single market in both goods and services. Being in the single market is the best possible trading arrangement on offer to the UK, with full market access, influence over regulations and zero tariffs. There is no free trade agreement that can replicate these benefits.

Within the EU, businesses will also be able to continue benefiting from the free trade agreements the EU has reached with countries around the world, with deals already in place with over 50 countries, and more to come, like the U.S. or Japan. This will boost GDP and open up global markets, therefore increasing trade opportunities. By working together with other European countries we ensure we have as much weight in negotiations as possible, so we can keep on reaching deals that work for British businesses.”

For more information on the official Remain and Leave campaign positions on this and other issues please visit:

Vote Leave: [www.voteleavetakecontrol.org](http://www.voteleavetakecontrol.org)  
Britain Stronger In Europe: [www.strongerin.co.uk](http://www.strongerin.co.uk)