

## Britain has the edge over EU nations in trade talks, says Civitas



EU countries such as Germany have strong incentives to do a good deal with the UK for the sake of preserving German jobs, according to Civitas CREDIT: HANNIBAL HANSCHKE/REUTERS

By [Tim Wallace](#)

23 SEPTEMBER 2016 • 12:01AM

Trade between Britain and the EU creates far more jobs on the continent than it creates in the UK, giving the remaining 27 nations a substantial incentive to strike a positive trade deal with Britain, according to researchers at the think tank Civitas.

The new analysis estimates that 3.6m jobs in the UK are [linked to trade with the EU](#), while 5.8m EU jobs are linked to trade with the UK.

Every major EU economy is in the same position, according to Civitas, meaning that all of the biggest players have strong reasons to come to an open trading agreement with the UK rather than [seeking to punish the leaving nation](#).

Even among the smaller countries, each one has a higher proportion of jobs linked to the UK than the other way around.

“Based on the potential impact on jobs, each EU country should be aware of the significant economic benefit in terms of jobs stemming from trade with the UK,” said Civitas.

“The EU does arguably have to negotiate as a bloc. However, each of the 27 remaining national governments, with between 1.5 and 9.5pc of employment linked to UK trade, should be negotiating in the interests of those that democratically elected them.”

The report, written by research fellow Justin Prottis, also argues that [the UK is in a sense in a stronger position than the other EU countries.](#)



Former trade minister Francis Maude has also argued the UK will be better able to negotiate with countries such as the US, without the constant disagreements between EU nations getting in the way CREDIT: RII SCHROER

“The UK has an increased competitive advantage which will allow it to do more to help UK business export outside the EU which can help offset exposure to a change in trading terms with the EU; the EU does not have such a luxury,” said Mr Prottis.

Sterling’s fall since the vote also means UK exports are relatively more competitive, while British households and firms have to pay more for imports.

The Brexit vote has come at a time when the EU already accounts for a shrinking proportion of the UK’s export business as other parts of the global economy become more important.

In the 1990s more than 60pc of UK exports went to the EU, a level which has fallen to around 45pc now. [According to forecasts by Oxford Economics](#) this was on track to fall to 30pc by 2050 even before the UK leaves the EU, a move which could accelerate the decline.

“If the EU continues to fail to secure major new trade deals and the UK is successful in building new trading relations on exiting the EU, the share of exports going to the EU could fall at a faster rate than currently seen,” said Mr Prottis.

“The EU appears to have stalled in signing new trade deals, so remaining members of the EU will struggle to build new trading relations, especially as the UK is one of the EU’s biggest proponents of free trade and is now leaving.”

The EU’s planned deal with the US, known as TTIP, has ground to a halt after three years of talks, as internal arguments between EU members held up negotiations.

Britain was a leader in the talks and hopes to strike its own deal quickly after Brexit.

