

## City lobby group comes out fighting for global Brexit in dramatic u-turn



Business group TheCityUK campaigned to remain in the EU, but is now hailing the “a once-in-a-generation opportunity” to boost Britain's trade with the rest of the world CREDIT: STEFAN ROUSSEAU/PA WIRE

By [Tim Wallace](#)

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The City's top lobby group has performed a dramatic u-turn on Brexit, scrapping its [previous campaign to remain in the EU](#) and instead hailing the vote to leave as “unprecedented opportunity” for the UK to develop a powerful new set of trade and investment policies.

The group, which represents banks, finance firms and the professional services industry, now believes that Britain’s departure from the EU represents “a once-in-a-generation opportunity” for a strategic re-think of commercial relationships with the rest of the globe.

Before the EU referendum the organisation had [planned for a way to cope with Brexit just in case voters chose to leave](#) the group of 28 nations.

But the new proposals are more than just an effort to make the best out of Brexit - in an apparently major conversion, the group actively points out the ways in which EU membership has proved to be a “straitjacket” in terms of global trade, holding Britain back from building relationships with non-EU nations.



John McFarlane, the chairman of Barclays, is also chairman of TheCityUK CREDIT: CHRIS RATCLIFFE/BLOOMBERG

The group declared: "TheCityUK is a strong believer in the potential opportunities that the UK's departure from the European Union will offer."

It calls for a wholesale rethink of trade policy to focus on the services sectors which make up the bulk of the British economy, rather than the physical goods which are the focus of many trade negotiations.

"It reflects the fact that there was a vote to leave the EU and as a result there are a whole range of challenges and opportunities, said Gary Campkin, director of policy and strategy at TheCityUK.

"An area of opportunity in leaving the EU is the opportunity for first time in 40-plus years to have an independent trade and investment policy."

This should include an intensive study of the value of trade in services and the makeup of global demand so that the government is fully informed, the group said, as well as a renewed focus on emerging markets which received less attention within the EU.

"In many ways global rules on services trade have lagged behind those on manufactured goods and agriculture," Mr Campkin said.

He wants to see "a concerted effort led by UK and other like-minded countries to modernise, update and ensure the rules that govern services trade reflect the way services trade is done today. We will be absolutely freer to do it outside the EU."

He noted that while the UK exports financial services to the EU very successfully, "over the next 10 to 15 years, 90pc of global economic growth is expected to be generated outside Europe and these markets – developed and emerging – must be a priority focus for the country post-Brexit."



TheCityUK's new message favouring a new era of global trade and a battle against protectionism echoes some of Theresa May's themes CREDIT: LAURENT GILLIERON/EPA

To truly go global TheCityUK wants the government to liberalise trade on a unilateral basis, as well as striking bilateral trade deals and regional agreements, in a frenzy of activity to build ties around the world.

“The Prime Minister has [signalled her commitment to striking the best trade deals around the world post-Brexit](#),” said Mr Campkin.

“While existing key commercial links will be maintained, there are significant opportunities for trade and investment policy to be varied in innovative ways, breaking away from the legacy of past practice set by the EU.”

And while foreign direct investment into the UK has traditionally come from large, rich countries, “the rise of the BRICS, notably China and India as exporters of capital means that the UK will need to develop an investment regime that will take account of a wider spread of sources of inbound FDI,” TheCityUK said.

As part of this drive Britain will need to challenge the rise of protectionism in other countries, the document advises.

That includes plans in other countries to protect specific industries or attempt to force firms to employ staff domestically rather than trading internationally.

And Britain should also take disputes to the World Trade Organisation covering very modern forms of protectionism, the group said - for instance, challenging governments' efforts to force companies to keep data stored in any particular country or jurisdiction.

The UK should work to take a leading role in global regulation, making the market in finance and other services more even and open, helping create more markets for British industries.

And Britain should make the case for more open borders globally, benefitting the UK as it will be able to access the best talent from around the world, and benefitting British citizens as they will have more opportunity to find the best jobs and to trade globally, the report argues.