

Global Britain Briefing Note

No 120

22nd November 2016

The 2016 Pink Book: UK Balance of Payments in 2015

***UK sent Brussels £ 426 million a week –
£ 61 million a day - in 2015***

Table 1: UK Cash Contributions to & Receipts from “Brussels” in 2015

	£ million in 2015	£ m per week in 2015
UK Gross Contribution	22156	426
Receipts from EU Institutions	(8610)	(166)
UK Net Contribution	13546	261

Table 2: UK Contributions to EU Institutions: £ bn

	2011	2012	2013	2014	2015	Cum. 2011-2015
Gross UK Contribution	19.7	20.0	22.4	21.9	22.2	106.3
Receipts from EU Institutions	(8.1)	(7.4)	(7.2)	(7.9)	(8.6)	(39.2)
Net UK Contribution	11.6	12.6	15.2	14.0	13.5	66.9

- In 2015, the **UK Gross Contribution to EU Institutions** was **£ 22.2 bn, equivalent to £ 61 million per day**. UK Gross & Net Contributions began rising sharply from 2009 onwards as a result of the abandonment by Mr Blair, then Prime Minister, on 17th December 2005, of part of the Fontainebleau Abatement. The UK Net Contribution peaked in 2013 then fell back slightly in 2014 and 2015. *Table 2*

Table 3: UK Exports (Goods, Services, Income, Transfers) 2011 to 2015 £ bn					
	2011	2012	2013	2014	2015
Exports to EU-27	323	288	295	286	282
Exports to Rest of World	393	402	403	387	387
Exports to whole World	716	690	698	673	669
<i>Proportion EU-27/World#</i>	<i>45%</i>	<i>42%</i>	<i>42%</i>	<i>42%</i>	<i>42%</i>
<i># Not adjusted for the Rotterdam-Antwerp Effect or the Netherlands Distortion (see Global Britain Briefing Note No 64). The “real” proportion is lower than given here.</i>					

- In 2015, 58% (probably 60% or more when account is taken of the *Rotterdam-Antwerp Effect* & the *Netherlands Distortion*) of British exports went to the world outside the EU. (Taking 60% as the real proportion, this means that **UK exports outside the EU are already 50% higher [60 minus 40 divided by 40] than UK exports to the EU.**) *Table 3*
- In 2015, 42% of British exports (probably 37% or less when account is taken of the *Rotterdam-Antwerp Effect* & the *Netherlands Distortion*) went to EU-27. *Table 3*

Table 4: UK Current Account Balance with EU-27 & Rest of World £ bn						
Year	2011	2012	2013	2014	2015	Cum. 2011-15
Balance UK/EU-27	(43)	(78)	(91)	(99)	(110)	(421)
Balance UK/Rest of World	+14	+16	+15	+14	+10	+69
Balance UK/WholeWorld	(29)	(61)	(76)	(85)	(100)	(352)

- Cumulatively, between 2011 & 2015, the UK trade surplus with the world outside the EU was £ 69 bn. Over the same period, the UK deficit on trade with EU-27 was £ 421 bn. *Table 4*
- The UK traded in deficit with twenty-three of its twenty-seven EU partners in 2015.

Table 9.2 of the 2016 Pink Book

- The UK has a structural surplus on its trade with the USA. In 2015 alone, the UK surplus with the USA was £ 29 billion. With Germany, the UK has a structural deficit. *Table 6*
- The UK has a structural surplus on its trade with Switzerland, Australia & South Korea. *Table 6*

Table 5: UK Current Account by category in 2015: £ bn					
	Goods	Services	Income	Transfers	Total
Exports:-					
To EU-27	1134	89	51	9	283
To Rest of World	151	136	89	10	386
Exports to World	285	225	140	19	669
<i>Exports to World by type as percentage</i>	<i>43%</i>	<i>34%</i>	<i>21%</i>	<i>3%</i>	<i>100%</i>
Imports:-					
From EU-27	223	68	80	21	392
From Rest of World	188	70	97	23	378
Imports from World	411	138	177	44	770
<i>Imports from World by type as percentage</i>	<i>53%</i>	<i>18%</i>	<i>23%</i>	<i>6%</i>	<i>100%</i>
Balances:-					
With EU-27	(89)	21	(29)	(12)	(109)
With Rest of World	(37)	66	(8)	(13)	8
With World	(126)	87	(37)	(25)	(101)

Table 6: Balances: Largest UK Surpluses & Deficits in 2015: £ bn		
<i>Surpluses</i>	USA	29
	Australia	7
	Switzerland	5
	Saudi Arabia	5
	Singapore	4
<i>Deficits</i>	Germany	32
	China + Hong Kong	20
	Norway	11
	Spain	10
	EU Institutions	14

Notes & Data Sources

The Pink Book 2016, 29th July 2016, from which the statistical data summarised in this Briefing Note is extracted:-

<http://www.ons.gov.uk/economy/nationalaccounts/balanceofpayments/datasets/9geographicalbreakdownofthecurrentaccountthepinkbook2016>

The next Pink Book is due out in October 2017.

Payments to & from supra- & international organisations, & remittances by expatriates, which are included in “Transfers”, are not strictly-speaking “Trade”, but a large proportion of them are trade-related. Historically, supporters of EU membership have justified UK payments to the EU on the grounds (unsupported by any evidence) that “*the UK needs to be in the EU to trade with the EU*”.

The data above is not adjusted for the Rotterdam-Antwerp Effect or the separate Netherlands Distortion (see *Global Britain Briefing Note No 64, “The Rotterdam-Antwerp Effect & the Netherlands Distortion” 7th January 2011*). The effect of these two statistical distortions is to significantly overstate (in the *Pink Book*) the value of UK exports to EU-27 , & to significantly understate the value of UK exports outside the EU.

It should be noted that data in Pink Books is subject to revision after the date of first publication.

In the tables, brackets mean “minus”.

Due to rounding, columns & rows may not sum exactly.

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