Twitter Thread by David C Bannerman

David C Bannerman
@DCBMEP

Here is thread with few facts relevant to current drama on Brexit deal or rather more likely NO DEAL - FOR NOW!

1.) If we have to go to 'no deal' (/Australia deal) we will be doing what most members of World Trade Organisation (WTO - covering virtually every country in world) do.

2/ 2/3rds of trading in world is done under WTO rules. USA exports more than UK does to EU but does so under WTO rules; so does China.
2.) If tariffs have to be imposed under 'no deal' WTO rules, the EU will pay £12bn in tariffs a year and the U.K. £5bn (ref: Civitas) -

3/ (ref: Civitas) - because tariffs hit mostly agricultural EU goods, such as 40% on cheeses & 12% on wine;
3.) The £12bn income from tariffs will come to UK Treasury, not Brussels. Effectively these will be UK consumer taxes that could perhaps go towards reducing COVID debt?;

4/ 4.) 43% of UK exports do yes go to EU; but this is small proportion of our actual economy: only 7.5% UK GDP are goods exports to EU; 13.5% with services. Only 8% UK companies even trade with EU. (@BBCNews please show balance on this). Most of our trade is internal within UK.

5/ over 2/3rds (SNP take note!); so tariffs will effect a small proportion of UK exports (though some sectors will be hit hard;
5.) By definition, 57% of U.K. exports go to Rest of the World. Growth outside of Europe is forecast to be 90% of all growth over next 15-20 years.

6/ When we joined EEC around 60% UK exports went to EEC. We now have UK trade deals with over 100 countries despite pessimists saying too difficult;
6.) Whilst UK has trade surplus with USA and most Commonwealth countries, we have massive deficit with EU in goods - £95bn a year.

7/ Meaning EU Single Market currently works badly for UK. Trump would go ballistic at such an imbalance if this was US trade deal;
7.) UK is 5th largest economy in world, the same sized economy as India with 1.3 billion population, & 20% larger than geographically massive Russia;

8/ 8.) If there is no deal, UK could incentivise import substitution (within WTO rules parameters) - so there is more ‘re-shoring’ to British based companies and suppliers, and to non-EU suppliers such as Commonwealth at the expense of EU exporters;

9/ 9.) No deal would really be ‘no deal - for now’. Negotiations could start again & have more urgency as UK tariffs started to bite, such as 10% on German built cars., 40% on cheeses & meats, 12% wines. The key difference is the ‘political punishment’ guidelines used by EU now -

10/ to punish & restrain an independent UK - will be gone; & more trade based guidelines - to ensure freer access to EU’s 2nd biggest market - used instead;
10.) Normally, only about 4% of containers arriving into U.K. are checked physically and this is mostly intelligence led

11/ tip offs; strange companies; not trusted regular traders). Most checks done electronically such as customs declarations via HMRC. The UK has already set up a new Customs Declaration System (CDS) replacing current Customs Handling of Import or Export Freight (CHIEF)

12/ For first 6 months, UK will be very flexible about letting EU goods into UK to allow procedures to bed down. Only 30% UK food comes from EU, 50% UK; 20% ROW.
11.) We have had 4.5 years to prepare! We don’t need any more time. Deadlines must be met.
ENDS!