New Direction
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THE UK MARKET FROM EU EYES

EUROZONE, FINANCE AND ECONOMY €

NEW DIRECTION
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I love Europe but not the European Union (EU). I respect, value and admire European nations, their peoples and cultures, but not the unaccountable, undemocratic and technocratic EU superstate that too often claims 'Europe' for itself.

I count MEPs from other nations as good friends and kindred spirits, including those here writing commentaries for me. I am not 'anti European', 'isolationist' nor a 'Little Englander' (something I object to especially as half Scottish with some Welsh & Irish blood thrown in!). Such namecalling just trivialises the debate.

Nor does this paper advocate 'Brexit' - i.e. British withdrawal as a member of the EU - despite my personal views being unashamedly pro-Brexit.

Instead, what it seeks to do is to demonstrate that should the British people vote for Brexit - something beyond all of our control and what every commentator here from other countries opposes - then in that event we can all agree that trading relations would continue uninterrupted between the other EU-27 nations of the EU and the United Kingdom, and it is important to everyone involved that they do so.

This is on the basis that trade transcends politics, and that the UK is the largest single market of the other EU-27 nations.

But what would EU members want of the UK if Brexit were to occur? What market access and trade deal would they wish to see if the UK, the world's fifth largest economy and the EU's largest single customer, did terminate its membership?

This is the other perspective - a mirror image of the debate in the UK - and one as yet unexplored.

Surely German car manufacturers, French wine producers, Italian shoe makers, Spanish vegetable growers, Portugese port producers, Danish pork farmers, for example, will want to continue to trade with the UK whether it is an EU member or not? For market access works both ways.

I know from having served on the European Parliament's Trade Committee for 6 years, dealing with a large number of trade deals, and being responsible as Standing Rapporteur on the proposed EU-India Free Trade Agreement, sadly stalled after 8 years of negotiations, that the EU is open to trade deals right around the world under WTO guidelines. It would be irrational, perverse and illegal under WTO rules and unconstitutional under Article 50 of the Lisbon Treaty which compels the EU to negotiate a 'withdrawal agreement' with a departing member, not to have a suitable 'WTO+' deal with the UK. WTO+ means a guaranteed WTO Most Favoured Nation (MFN) agreement with a negotiated preferential trade deal on top - just as other nations such as Canada (with CETA), USA (TTIP), Japan, India, China and Australia are seeking.

The intention is to reassure markets and investors that whatever the British people opt for - a reformed relationship within the EU or a new trade only relationship outside of EU membership - that life, trade and friendship would continue, and must continue, between amicable European nations such as ours, as it has done for hundreds, even thousands of years before the EU ever existed.

The debate on Brexit has been very UK-centric to date: about what deal the EU might or might not offer a departing UK, or whether the EU would want to trade still with the UK or seek to 'punish' the UK for leaving. Such threats create unjustified uncertainty, anxiety and tensions, that benefit no one. This paper is a non emotional, hard analysis of the trade impacts focused on goods rather than services, which account for 70% of European GDP and are tariff-free.

The excellent analysis by Ruth Lea CBE, a leading economist and trade expert, formerly of the UK Treasury and Institute of Directors, is most apposite on this.

She points out for example that the UK supports a minimum of 3 million EU jobs and is the second largest export market in the world for Germany, Ireland and Poland, the third largest for Denmark, fourth largest for Netherlands, France and Belgium, and fifth largest for Italy, Spain and Sweden.

She finds that exports to UK from Germany equate to 2.5% of its entire GDP (the world's fourth largest) and that, with the sole exception of Ireland, the top 10 EU exporters have a trading surplus with the UK (i.e. they earn more in trade from us than we do from them). Indeed, 7.3% German exports go to the UK, France 7%, Spain 7.1% and Italy 5.1%. These are not exports that those countries would easily make up for if lost from the UK, and not when the Eurozone particularly is in such a bad place.

The conclusion drawn is what the bold figures show: the UK and the UK market is very important to other EU nations whether Brexit occurs or not, and trade would continue whether Brexit occurs or not.

The real debate on Brexit, as the rich and varied commentaries here show from a number of national viewpoints, is not over whether trading will survive the transition, i.e. the economic basis, but over wider issues of diplomacy, geopolitics, European solidarity and togetherness. That's where the focus should be in terms of the debate.

I am grateful to Naweed Khan, the New Direction board and design team for their great support on this paper.

David Campbell Bannerman

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RUTH LEA CBE - Leading UK Treasury and City Economist

THE IMPORTANCE OF UK MARKETS FOR EU EXPORTERS

There are concerns that UK bilateral trade with our major EU trading partners would suffer if the UK left the EU. Given the presence of tariffs on goods this would, arguably, be more important for goods than services, for which there are no tariffs (over 43% of UK exports of goods and services exports were services in 2014) [1]. Accordingly, this note is solely concerned with goods ('merchandise trade'), for which comprehensive global bilateral data are readily available from the IMF. [2]

If there is 'Brexit' - UK withdrawal as a member of the EU - Britain's goods exports with the EU would face the EU's Common External Tariff (CET), unless a EU-UK free trade deal was agreed with the EU. According to the House of Commons Library, the average weighted tariff is currently about 1%. [3] But tariffs could be an issue for the car industry, for example, where the CET is nearly 10%.

Claims in the UK are sometimes made that 'they' (our EU partners) would 'not trade with us' if the UK was no longer in the EU. But trade is driven by commercial factors, not ideological factors. And it is noticeable that UK trade has increased faster in recent years with non-EU countries than with EU countries and, consequently, the EU share of our total trade is in decline.

Moreover, there is absolutely no evidence the UK needs to be in the EU in order to trade with EU countries. Many non-EU countries trade very successfully with the EU, - with the US, China and Switzerland immediately springing to mind. And trade is a two-way process. Crucially, the UK is an extremely significant market for EU exports and our current EU trading partners would surely wish this to continue, if there is Brexit. This paper tests this assumption on the basis of key facts on trade between the EU and the UK. This note shows just how significant this trade is.

1. ONS, 'Balance of Payments, 2015Q1' 30 June 2015.
2. IMF, Direction of Trade Statistics (DOTs) database
3. House of Commons Library, 'The economic impact of EU membership on the UK', SN/6730, September 2013

MAIN POINTS

- This note deals exclusively with trade in goods, as they are potentially subject to tariffs if the UK left the EU, whereas services would not be.
- Much is made of the importance of the EU for UK exporters. But the UK market is very significant for many EU exporters, especially for Ireland (16.9% of exports in 2013), Cyprus (14.6%), Denmark (8.9%), the Netherlands (8.5%) and Belgium (7.8%). The UK market is also important to the EU's largest economies: Germany (7.3% of exports), France (7.0%), Spain (7.1%) and Italy (5.1%).
- The top 10 countries accounted for nearly 90% of the total exports to the UK from EU countries in 2013. The top 3 (Germany, the Netherlands and France) accounted for over half of the EU's exports to the UK; Germany alone accounted for over a quarter.
- The UK market ranks highly for every top 10 EU exporter to the UK. In 2013 the UK was the second largest export market for Germany, Ireland and Poland, the third largest for the Denmark, the fourth largest for the Netherlands, France and Belgium and the fifth largest for Italy, Spain and Sweden.
- Moreover, the UK market has assumed greater significance for at least some of the EU countries since 'the Great Recession' (of 2008 on), not least of all Germany.
- Exports to the UK are equivalent to over 2½% of Germany's GDP in 2013, and are higher for Ireland, Belgium and the Netherlands.
- With the exception of Ireland every top 10 EU exporter to the UK ran a goods surplus in 2013. The countries benefiting from their trade surplus with the UK included Belgium (2.2% of GDP), the Netherlands (2.0%), Poland (1.5%), Denmark (1.3%) and Germany (1.1%).
- Very rough and ready 'rule of thumb' estimates suggest that over 3 million jobs in the top 10 EU exporting countries could be 'dependent' on exports to the UK, over 1 million in Germany alone (Calculations are in Table 4 of Annex).

JOBS DEPENDENT ON TRADE WITH THE UK

EXPORTS TO THE UK AS A PROPORTION OF EXPORTING NATIONS' GDP

Table 1 shows the IMF exports data for the EU's top 10 exporters to the UK and their trade balances, alongside their GDP data.

The exports to GDP ratios confirm that UK trade is an important contributor to their economies. This is wholly unsurprising given the size of the UK market. The effect is especially significant for Ireland, Belgium and the Netherlands. But it is also clear that exports to the UK are significant for Denmark, Germany, Sweden and Poland and they are also positive for the remaining three exporters (France, Italy, and Spain). Exports to the UK are equivalent to over 2½% of Germany's GDP. It is inconceivable that EU exporters would wish to see any disruption to trade with the UK, if Britain left the EU. It is simply not in their interest. Similarly it is inconceivable that EU governments would wish to damage their trade relations with the UK. Trade is too important for jobs and prosperity.

As is well known, the UK runs very sizeable deficits with several major EU countries. The trade balance to GDP ratios show that most of the countries analysed gain a net benefit from their trade with the UK. They include the Netherlands, Denmark, Poland, Belgium and Germany. If trade stopped overnight with the UK after Brexit (which it would not do, of course) then these economies would be measurably worse off.

Exporting country	Exports to UK ($bn)	Imports from the UK ($bn)	Trade surplus with UK ($bn)	GDP ($bn)	Exports to UK/GDP (%)	Trade surplus with UK/GDP (%)
Germany	100.2	57.8	42.4	3,755.5	2.7%	1.1%
Netherlands	56.2	38.5	17.6	894.6	6.2%	2.0%
France	40.0	32.9	7.1	2,865.3	1.4%	0.2%
Belgium	35.2	27.9	11.4	528.7	6.7%	2.2%
Italy	26.0	12.8	13.2	2,280.3	1.1%	0.6%
Spain	21.8	13.9	7.9	1,496.0	1.5%	0.5%
Ireland	18.4	25.9	-7.5	238.0	7.7%	-3.2%
Sweden	13.3	9.5	1.4	563.1	2.4%	0.2%
Poland	11.0	5.8	7.6	524.1	2.0%	1.5%
Denmark	9.6	5.1	4.5	341.5	2.8%	1.3%

Table 1 EU main exporters to UK, exports and trade balance (goods) to GDP ratios, 2013 [4]

4. IMF, 'Direction of Trade Statistics', quarterly 03/15; (ii) IMF World Economic Outlook database (April 2015) for countries GDP ($bn).

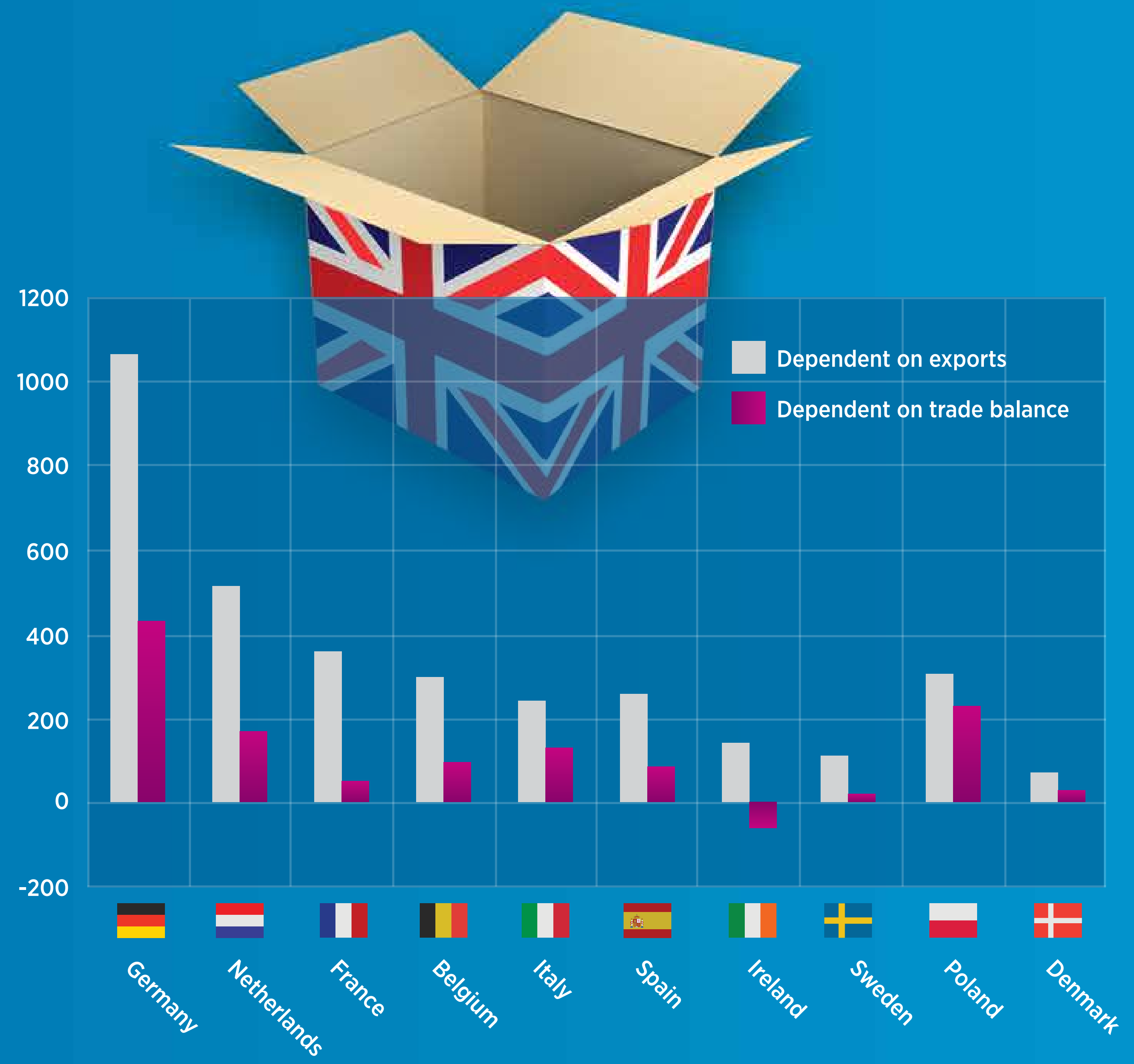


Chart 1 Rule of thumb calculations for jobs 'dependent' on exports to and trade balance (goods) with the UK, thousands, 2013 [5]

ESTIMATED EU JOBS DEPENDENT ON GOODS EXPORTS TO UK

The estimation of the number of jobs that are 'dependent' on trade with the UK is, in the absence of comprehensive survey material, fraught with difficulties. But, as a rule of thumb, one approach is to take the share of exports to GDP and multiply by total employment. This can only be very approximate. It is also likely to be an overestimate because it assumes that labour intensity in the traded goods sectors is similar to that in the economy as a whole (including the services sector), whereas it is probable that the non-traded sectors of the economy will be more labour intensive than the traded goods sectors. Nevertheless, caveats apart, some estimates can be useful.

Using this rule of thumb approach, 1 million German jobs could be dependent on exports to the UK and over half a million Dutch jobs. And, all in all, well over 3 million jobs in the top 10 EU exporters could be dependent on UK goods trade. Even if these figures were overestimated by a factor of two, say, the resulting figure would still be a very significant 1½ million.

5. IMF, 'Direction of Trade Statistics', quarterly 03/15; (ii) IMF World Economic Outlook database (April 2015) for countries GDP ($bn); (iii) Eurostat database, total employment, 2013 (LFS concept). (See annex table 4 for the data).

THE VIEW FROM DENMARK

IN CASE OF A 'BREXIT'

MORTEN MESSERSCHMIDT MEP - leading Danish People's Party MEP

For Denmark, the UK is an important economic and political partner, and the EU would be a lesser place without it.

Alongside the UK, Denmark is often considered one of the most Eurosceptic member states, with all major parties expressing some sort of reservation about the EU. However, since 1973 there has been a solid majority to retain EU membership among the electorate. Even the party I represent in the European Parliament, Danish Peoples Party, does not advocate withdrawal from the EU. Denmark is a 'reluctant European' with opt-outs on justice and home affairs, common currency, immigration, and defence. The majority of Danes are adamant to keep the 'krone' instead of adopting the Euro. But at the same time, Denmark is one of the EU countries most effectively implementing EU regulation.

Mainly due to the threat against Danish agricultural exports, the Danish electorate was convinced by the political elite to join the European Economic Community, the EEC, in 1973, fearing the scenario of Denmark remaining a non-member and Britain joining the EEC.

The UK and Denmark have had a long and strong trading relationship. Although Danish exports to the UK have declined since the early 1970s, the British market still accounts for 8.9% of Danish exports and is Denmark's third most important market after Germany and Sweden.

After the financial crisis of 2008, trade between the UK and Denmark is recovering. Meat is still Denmark's single largest export good to the UK (more than half of the bacon sold in the UK is from Denmark, and 43% of all other pork products also come from Denmark) followed closely by fuels, lubricants and electricity, intermediate goods for other industries, and machinery. Denmark is also an important producer to the UK of different forms of energy: oil, natural gas, wind and bio energy.

Intermediate goods for other industries represent the main export from the UK to Denmark, followed closely by fuels and goods for household consumption. Denmark has for many years benefited from a small but steady trade surplus with the UK: 1.3% in 2013. Many of the products that Denmark import from the UK will be hard hit by the tariffs that the EU imposes on products from non-member countries: Cars 10%; chemicals 4.6%; clothing 11.5%; food, beverages, and tobacco 3.07%; around 15% for processed food, and other products can face tariffs of over 30%.

The UK holds a significant market for EU exports and Denmark would like to see this continue. Whilst no countries seem to be planning actively for a 'Brexit', many are aware that this scenario may become a reality.

> ***"Even in the case of a British exit, it is of great importance to Denmark that the impact on British-Danish trading will be as limited as possible, and that the continuation of sound economic relations will be ensured in future agreements between the UK and The EU.***

To a large extent, Denmark and Britain share a basic intergovernmental and Atlanticist approach and a general support for free trade. These sentiments weighed heavily in Denmark's decision to follow the UK into the EEC. Denmark has benefited from the EU's internal market, and according to a study on the effects of the Internal Market in 14 EU countries from 1992 to 2012, conducted by the Bertelsmann Foundation, Denmark increased its GDP pr. capita with 500 Euro. The study also shows that the internal market has been particularly beneficial for those countries with tight, economic, connections to other EU countries.

A poll from January 2013 showed that 52% of the Danish voters wanted Denmark to retain its membership of the EU even if the UK decided to exit. However, 47% of the Danes would like the Danish government to renegotiate the conditions of the Danish membership, although, roughly the same number was against a referendum on the EU membership following a renegotiation. The poll suggests, that to the Danish population the importance of the UK as a reference point in EU politics should not be underestimated.

The Lisbon Treaty stipulates that if a member state were to leave, the EU, 'shall conclude a withdrawal agreement'. The treaty allows for a timeframe of up to two years to conclude such an agreement. Denmark has an important role to play in ensuring that such an agreement is in the interest of both the UK and Denmark. This was also the background for the political statement that the Danish center-right parties formulated in June last year, preceding the election to the European Parliament:

"We will ensure that Denmark acts as an active supporter for Britain in its effort to reach an agreement with the EU, so the British electorate can endorse in a referendum in 2017 the latest. The alternative is possibly a British exit from the EU, an outcome none of us want."

The statement was signed by Danish People's Party, the Conservative Party, Liberal Alliance, and Venstre (Denmark's Liberal Party), of which the latter has formed a minority government. Danish People's Party, the second largest party in the Parliament after the Social Democrats, has promised its voters to continue to pressurerise Prime Minister Lars Løkke Rasmussen's government to make good on its promises: to support the UK in achieving the best agreement and, if that fails, to uphold the best possible economic and political ties between the UK and Denmark.

THE TOP 10 EU EXPORTING COUNTRIES TO THE UK

Table 2 shows the EU's 10 largest exporters to the UK with their five biggest markets in 2013. The UK figures highly in all of them. The UK is the second largest export market for Germany, Ireland and Poland, the third largest for the Denmark, the fourth largest for the Netherlands, France and Belgium and the fifth largest for Italy, Spain and Sweden. By any standards, the UK market is crucially important to these countries' exporters.

	LARGEST	2ND LARGEST	3RD LARGEST	4TH LARGEST	5TH LARGEST
Germany	France	**UK**	Netherlands	US	Austria
Netherlands	Germany	Belgium	France	**UK**	Italy
France	Germany	Belgium	Italy	**UK**	Spain
Belgium	Germany	France	Netherlands	**UK**	US
Italy	Germany	France	US	Switzerland	**UK**
Spain	France	Germany	Portugal	Italy	**UK**
Ireland	US	**UK**	Belgium	Germany	Switzerland
Poland	Germany	**UK**	Czech Rep.	France	Russian Fed.
Sweden	Norway	Germany	Finland	Denmark	**UK**
Denmark	Germany	Sweden	**UK**	US	Norway

Table 2 EU's top exporters to UK, their five largest export markets, 2013 [6]

Moreover, the UK market has assumed greater significance for at least some of the EU countries since the Great Recession, not least of all Germany. As chart 3 below (Page 14) shows, between 2008 and 2013 overall German exports to France have weakened a little, and those to Italy have fallen quite sharply, whilst exports to the UK have firmed up. (German exports to Mainland China grew strongly over the period, whilst exports to the US have recovered steadily since 2010). Given the UK's more favourable growth prospects compared with France and, especially, Italy, the increasing importance of the UK market for German exporters can be expected to continue. Spanish and especially Polish exports to the UK have also grown over the period, though the picture is more mixed for other EU exporters. French exports to the UK have fallen overall, for example, though by not by as much as those to Italy and Spain. [7]

6. IMF, Direction of Trade Statistics (DOTs) database.
7. See annex table 3 for the data.

THE VIEW FROM GERMANY

BRITAIN'S RENEGOTIATION: POLITICS, TRADE AND THE EURO

HANS-OLAF HENKEL MEP - former head of BDI (German Federation of Industries)

The process of renegotiation of the British relationship with the European Union has started. David Cameron has laid down the principles defining British demands for a reformed EU by sending a letter to Mr Donald Tusk, the President of the European Council. This could be a turning point both for Britain and the EU. If Britain leaves, then the EU will suffer deeply by losing its champion of the free market agenda. On the other hand, Britain outside the EU risks a constitutional crisis, as it is likely that the Scottish independence movement will demand a new referendum, which this time might produce a very different outcome.

The question of future trade relations between the United Kingdom and the EU is one of the most debated controversies, however, in order to capture the full dimension of challenges we are dealing with, the Euro question needs to be addressed and properly assessed. Monetary unions do have an impact on trade, and its consequences impact not only member states but also their trading partners. This absolutely neglected factor should be taken into consideration while discussing Britain's options.

From the perspective of Germany, and the EU itself, a Brexit would be a disaster. As the German Federal Statistical Office informs, in 2014 the United Kingdom was the third export market for Germany, and ranked ninth in terms of German imports. [8]

As much as the economic significance of Britain is absolutely crucial for Germany, the political role of Britain is even more important. Britain is the champion of competition, subsidiarity and self-responsibility within the Union, and let's not forget that it is the second largest economy in the EU. The EU needs Britain, this is beyond any doubt. Does Britain need the EU? I believe yes, but surely not the version of the EU heading towards 'ever closer union' and keen to transform itself into a centralistic Leviathan with a fiscal union. David Cameron's letter clearly indicates that Britain wants to safeguard itself from the need to give up more sovereignty to Brussels and further Eurozone integration.

The supporters of a Brexit make the case that if Britain leaves the EU then its economic interests will not suffer as it could sign bilateral trade agreements with the EU, which may be modelled after the Swiss example. They also argue that the UK would be able to sign much faster free trade agreements with other countries than with the EU. Indeed, ***a scenario of Britain leaving the EU would not be a catastrophe for the UK in terms of trade***, but it might end with the secession of Scotland.

Moreover, Britain being outside of the EU would still have to apply EU regulations to access the Single Market, so it would lose the ability to influence the rules which it would have to follow. It is also doubtful that the negotiating position of Britain in signing free trade deals across the world would be as strong as some imagine, after all, the EU has a population over 500 million people today.

Britain takes great advantage as the gateway to the EU from the perspective of the destination of foreign direct investment, yet this might change after leaving the EU. According to the Office of National Statistics, the EU in 2014 was responsible for 44.6% of UK exports of goods and services, and 53.2% of UK imports of goods and services, but the role of the EU as an export market for UK was reduced from 54.8% in 1999 to 44.6% in 2014.[9] This process can be partly explained by the fact that the Great Divergence which started in the times of the Industrial Revolution is coming to an end, and this must have a profound impact on the destiny of British exports. However, there is one more reason why the Single Market is not the same thing which it was in the 1980s and 1990s - namely the introduction of the European Monetary Union.

The introduction of the Euro turned out to be the greatest mistake of European integration. Despite the belief that a single currency would contribute to the convergence of European economies, the opposite has happened. The Euro has long been too strong currency for Southern Europe and too weak for Germany. The Euro-rescue policy significantly undermined demand in the Eurozone, and as long as the Euro exists in its current form there can be little hope for a serious economic recovery in Europe. ***The Euro is not only responsible for an economic crisis compared to the worst days of the 1930s, but it is also the single biggest obstacle to recovery.*** Although the official narrative in Brussels is that the economies of South need to impose more structural reforms, the example of Finland shows that a monetary union can be a trap for everybody, regardless of economic prudence in the field of public finances and commitment to innovation. Currency devaluation is essential in navigating the storm of a deep economic crisis, however, appropriate fiscal and monetary policy must be a part of the strategy of restoring lost competetiveness. A long and painful economic crisis leads to profound political consequences, and radical political parties are gaining support due to the mismanagement of economies by representatives of the old political establishment.

The Euro hinders the economic growth of Britain's key trade partners in the Eurozone. British SMEs pay their price for the folly of the Euro-rescue policy as their closest export markets are suffering because of misguided policies. Extremely high unemployment in the Eurozone is also a driving force behind immigration to Britain. Europe desperately needs a Euro break up to liberate it from a low growth trap. The Eurozone crisis has been responsible for transforming the nature of the EU. The European elites, instead of admitting that the concept of 'ever closer union' led to an absolutely disastrous consequences for European economy, are now arguing that the problem is a 'lack of Europe'. There is a widespread faith in Brussels that a fiscal union must be created to save the Euro. This means that national states need to transfer vital competences on a European level. But, this was the reason of the Euro tragedy in the first place. Applying a bigger dose of a medicine which almost killed the patient as a way to recovery is the right description of the mindset of European elites.

David Cameron wants a reformed EU, and he is absolutely right. People who have in their hearts the well-being of the European project should embrace the reform of the EU in order to secure the prosperity of our Continent. However, the faith that the Eurozone should integrate further but just respect the opt-out from this process of integration of countries like Britain is neither in the interest of Britain nor the EU. The EU needs a different vision of integration, based on the principle of subsidiarity and self-responsibility. If Britain stays in a reformed EU but with a more integrated Eurozone, then the British economy will continue to suffer, and more political crises are inevitable. In case of Britain leaving the EU, there will be no catastrophe but Britain will have to comply with rules over which it will have little influence, and Britain's largest and closest trade partner will be under-performing. The best option for Britain, and the EU itself, is a reformed EU without the single currency.

8. https://www.destatis.de/EN/FactsFigures/NationalEconomyEnvironment/ForeignTrade/TradingPartners/Tables/OrderRankGermanyTradingPartners.pdf?__blob=publicationFile
9. http://www.ons.gov.uk/ons/rel/international-transactions/outward-foreign-affiliates-statistics/how-important-is-the-european-union-to-uk-trade-and-investment-/sty-eu.html

GERMANY'S TOP SEVEN EXPORT MARKETS

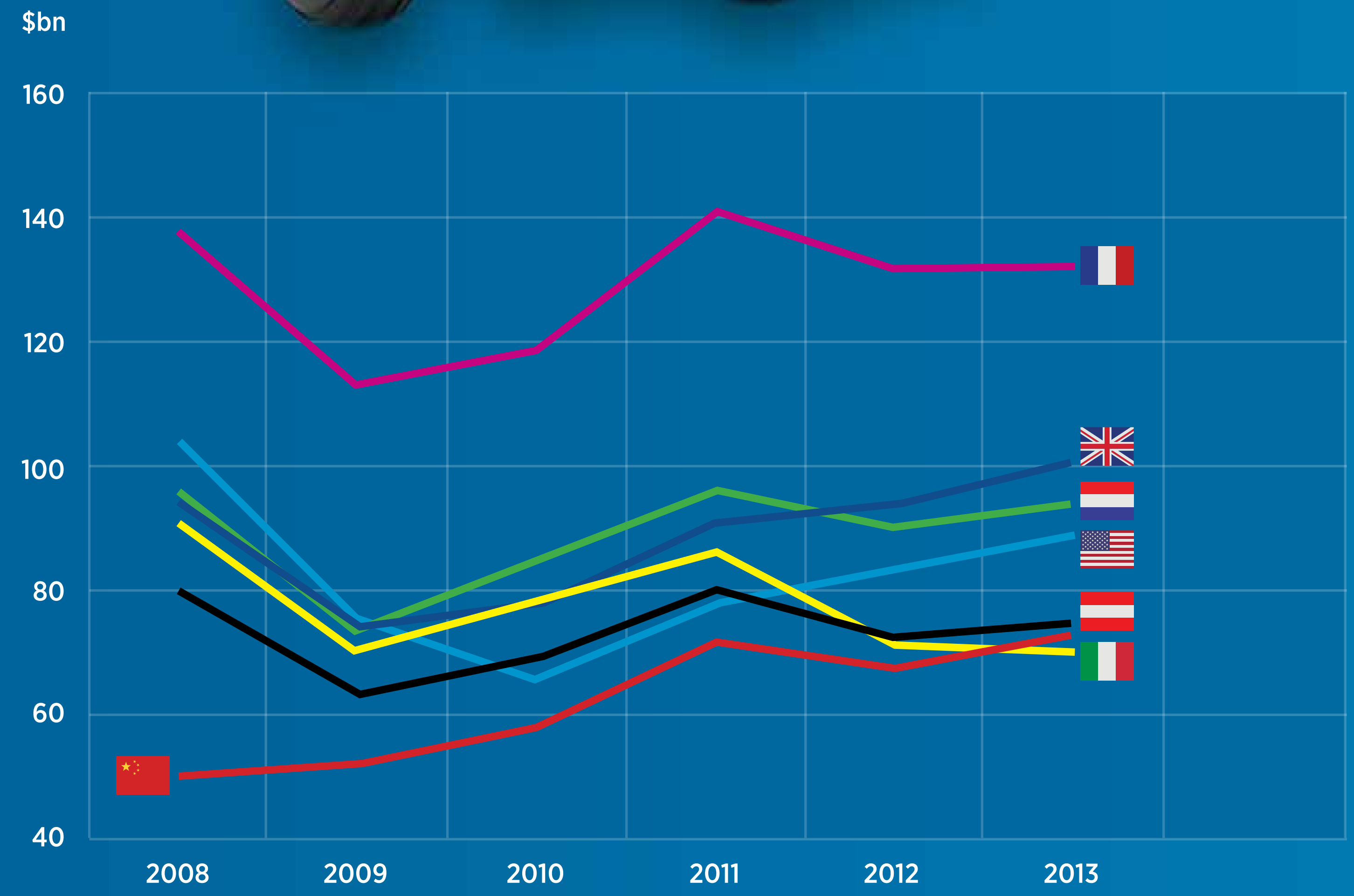


Chart 2 Germany's top seven export markets, exports (goods, $bn), 2008-13 [10]

10. IMF, Direction of Trade Statistics (DOTs) database.

THE VIEW FROM IRELAND

BREXIT

DICK ROCHE - former Europe Minister

The first reaction for many in Ireland when Mr Cameron's letter to Mr Tusk was published was one of pleasant surprise. The PM's requests are more modest than many expected, are not unrealistic and most importantly are deliverable.

UK concerns about the single market and 'ever closer union' do not require treaties to be rewritten. They can be delivered by using the precedents set by the Danes on Maastricht and by the Irish on Nice and on Lisbon.

Creating a Union that is more competitive, less bureaucratic, that involves National Parliaments more than at present and that protects and balances the rights of the Member States that are not in the Euro area can be found more easily by calm discussion than by excessive political rhetoric.

Most see the big stumbling block is free movement: but what Mr Cameron wants to deliver – the right to curb abuse – is less challenging.

If the focus stays on the right to curb abuse Mr Cameron will find allies around the negotiating table. An agreement that allows member states to address abuse may require a lot of negotiating but it is not beyond the skills of seasoned negotiators to find a way forward without reopening any treaty.

With an outbreak of common sense and a few obligatory late night negotiating sessions Mr Tusk, Mr Cameron and the European Council can deliver. It won't be easy but it can be done. However that is where optimism begins to run low.

CAN MR CAMERON HOLD THE LINE?

Mr Cameron can deliver on the negotiation front. Whether he can deliver in his referendum is another matter. Referendum campaigns are notoriously difficult to call.

From Ireland where there have been upsets in referendum campaigns the signs from the UK spell danger – at least for those who, like this writer, want to see Britain remain in the EU.

The discussion in the UK since the election has been unfocused, overblown and confusing.

There is no common message from the main political parties or from business. The UK trade unions are either hostile or conflicted. Large tracts of the media are openly hostile.

The two part question that is to be put to UK voters has been set, but clarity is not just about the wording of the question that will be on the ballot paper.

To make an informed decision voters need a clear, hype free and fact based discussion: that does not look like happening any time soon. If voters are confused on the issues they may stay away from the polling stations allowing the most important decision for decades to be taken by default.

In politics timing is critical. In a referendum an electorate that feels it is being rushed or taken for granted will push back. On the other hand, overlong campaigns fall victim to events – as happened in Ireland in 2008 where 'Lisbon 1' went off the rails when the Taoiseach (Prime Minister) announced he was stepping down.

A slew of elections, due across the Union in the period ahead, will complicate the timing issue further.

In the UK itself a referendum late in the life of the UK Parliament brings particular hazards. The temptation for opposition to score points will be hard to resist. As the referendum will be a major milestone in the run-up to the selection of a new Conservative leader, the temptation to score points will not be confined to opposition benches.

Putting all of these factors together only the brave or the foolhardy would bet the house on a victory for Britain staying in: so what happens if the voters go for Brexit?

WHAT IF THE VOTERS SUPPORT BREXIT?

The implications of Brexit will be profound and extensive - and they will be much broader than problems of trade.

On the issue of trade, Ruth Lea makes the legitimate point that ***Brexit will not produce a situation where current EU partners refuse to trade with the UK. If the UK were to withdraw trade will not close down. In time the purely trade issues would be resolved by a trade agreement with the EU 27.***

There will however be problems adjusting to the 'new norm'. Adjustment will not be easy and it will come with a price tag.

The implications of Brexit within the UK are best examined within the UK.

However the implications will not be confined to Britain, collateral damage will be inflicted on current trading partners. In some cases the damage could be serious and that will have an economic price in an interconnected world for the UK.

The most profound impact will be felt in Ireland. Almost 17% of Ireland's exports go to the UK and an extraordinary 40% of Ireland's imports come from the UK.

Ireland would suffer from anything that impedes her trade with the UK but the UK would suffer too.

The trading relationship between the UK and other individual member states do not come close to that of the UK and Ireland, but the Irish case shows something of the extent of the damage that Brexit could cause.

A study published by Ireland's Economic and Social Research Institute (ESRI) in early November looks at the impacts of Brexit across four areas: trade, migration, energy and foreign direct investment.

The study, commissioned by the Irish Department of Finance makes dismal reading. It predicts 'far reaching consequences for Ireland'.

An annual loss of the order of €2.88 billion for Irish exports to the UK is predicted.

This export loss, the ESRI suggests, would pose particular threats for sectors which are important for Ireland, packaged medicines, chemical products, computer parts, and beef & poultry.

On the island of Ireland the trade impact will not be confined to the Republic. The ESRI sees the impact of a Brexit as likely to be even more significant for Northern Irish exporters.

Tariff barriers will add to the misery by jacking up prices in Ireland for a surprising list of goods and products, ranging from medicines, to diesel, soft drinks, and across the spectrum to animal feed.

The loss would not only be on the Irish side, UK exporters would also be hit.

In terms of the relations between the Republic and Northern Ireland Brexit will mean that the border - which

effectively disappeared in 1992 - will be back, with all the negatives that that implies.

And there are other negatives: there will be a reduction in the ease of movement between the Republic and Britain, the automatic right of Irish people to work in Britain and the reciprocal rights enjoyed by many British people in Ireland will disappear. Ending what has been an enduring relationship will have social and economic costs.

On the energy front the Institute's predictions also make grim reading. The study suggests Ireland would have to look to an expensive electrical interconnector with France and will also have to face expensive gas and oil storage questions.

The ESRI study also looked at Foreign Direct Investment (FDI). The UK FDI stock is the largest in Europe and the second largest in the world. EU membership has been a significant factor in the UK's FDI success. The ESRI concludes that the UK will lose on FDI because of uncertainties about UK access to the EU Single Market. Less FDI it suggests will hit UK growth and that will have negative consequences for Ireland.

The institute also throws cold water on the idea - often mooted in Ireland - that with Brexit Ireland would be the most attractive alternative for the inward investment diverted from the UK. The Institute takes the view that the bulk of FDI lost to the UK will head for France, Germany or to the other larger Member States with Ireland gaining very little.

In short, in all of the four areas examined in the ESRI report the indicators are that Ireland will pay a heavy price if the people of the UK vote to part company with the EU.

It would be interesting if similar studies were run in the other EU Member States. While the costs of Brexit will likely be less in the remaining Member States than those that will hit Ireland the combined costs across the EU 27 will be very substantial.

The relationship between the UK and the EU has been a little like a bumpy marriage. When all of the costs are added together including those for the UK surely even the most ardent UK Eurosceptic must ask whether counselling would not be better than divorce.

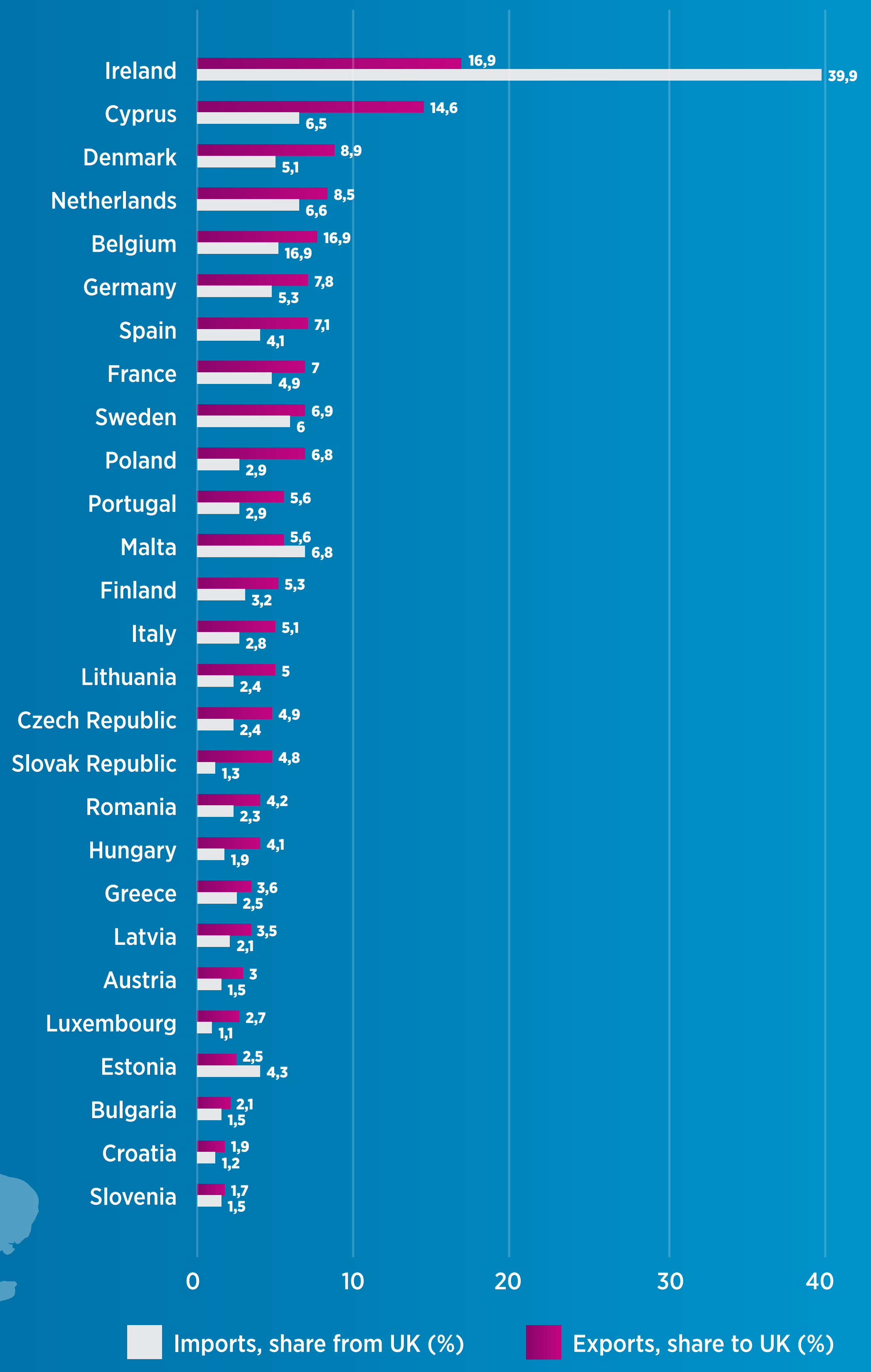
Going back to my starting point, getting through the negotiations could well be a lot easier for Mr Cameron than getting through the UK referendum campaign.

Looking towards London from Dublin – we will be keeping our fingers crossed.

IMPORTANCE OF EXPORTS TO THE UK BY EU COUNTRY

Chart 3 The UK's EU trading partners, ranked by share of goods exports and imports (%), 2013 [12]

Chart 3 shows the data for EU countries' exports to and imports from the UK in 2013. The significance of the UK market differs substantially between EU countries, with Britain being especially important for Ireland (16.9% of exports, and nearly 40% of Ireland's imports coming from the UK), Cyprus (14.6%), Denmark (8.9%), the Netherlands (8.5%) and Belgium (7.8%). [11] But it is clear that the British market is of great significance to the EU's largest economies too: Germany (7.3% of their exports), France (7.0%), Spain (7.1%) and Italy (5.1%).



11. It is important to the note that bilateral trade with the Netherlands and Belgium is distorted by role of the entrepôt trade of the ports of Rotterdam and Antwerp (the 'Rotterdam-Antwerp' effect).
12. IMF, 'Direction of Trade Statistics', quarterly 03/15 (See annex table 1 for the data).

THE VIEW FROM POLAND

ANNA FOTYGA MEP - former Minister of Foreign Affairs

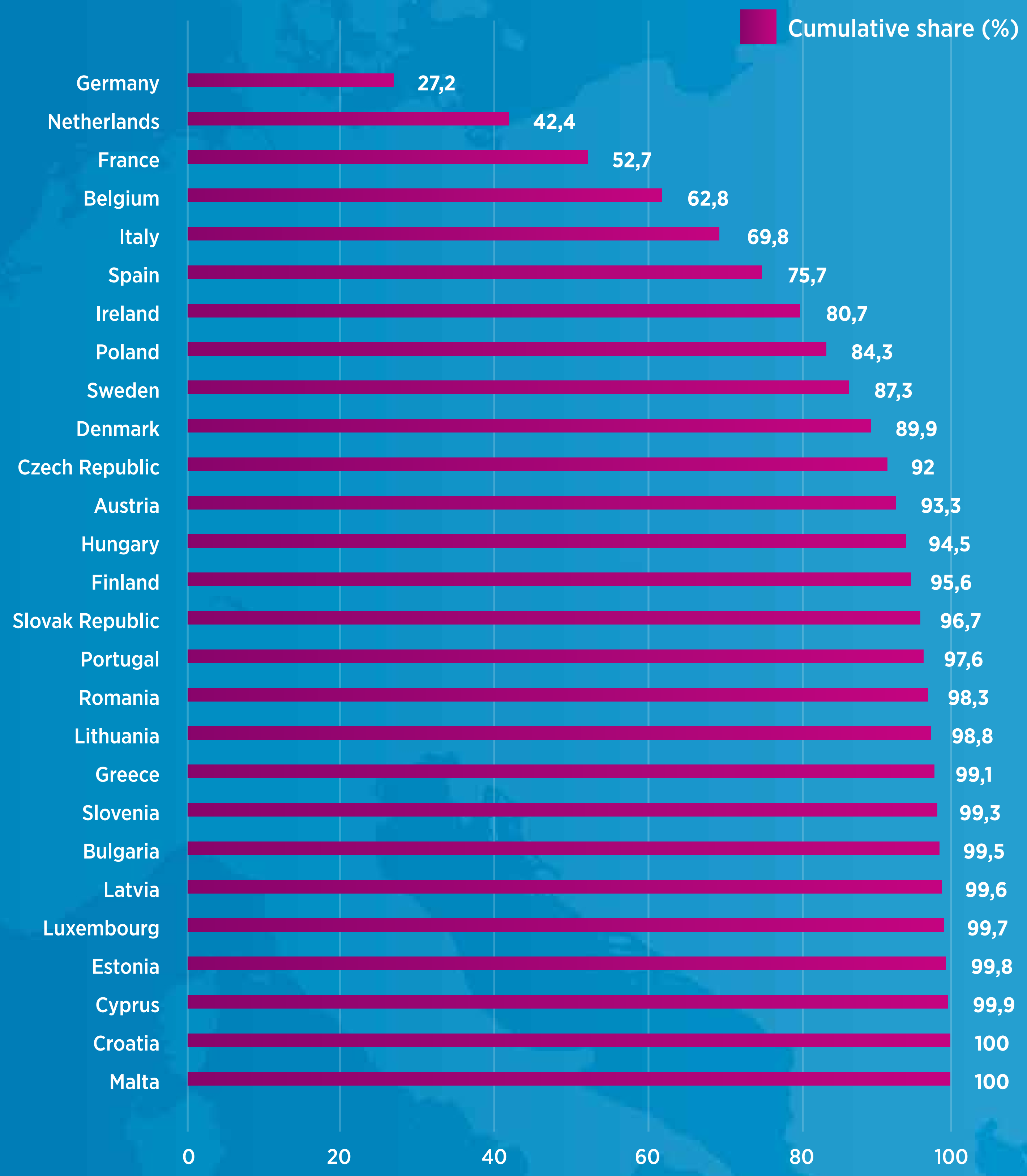
In my opinion, the major blow to Polish interests relating to possible Brexit comes of the political and strategic issues. However, indirectly it may also affect Poland's competitor position in terms of global trade. Currently, the major EU trade partner of Poland is Germany. I consider it important to diversify trade relations. Brexit may encourage Polish entrepreneurs or Polish business to rely more on partners like Germany and France, thus making Polish economy less 'transatlantic'. Unquestionably, there is and should be a link between politics and commodity flow. I cannot speak about figures now. Personally I find this more a matter of convictions.

In my view, political consultations between Poland and UK are necessary to create 'safety net' in case of potential Brexit. I am also afraid of the Brexit being real opportunity for changing the EU treaties in areas other than trade, legitimizing federalist tendencies within the EU. Without UK, Poland and other countries of the region are less resilient to such tendencies. Once more, consulting session between UK and Poland is necessary, in order to avoid misunderstanding. Consultation session should take into account possible scenarios of Brexit following negative result of referendum be major changes of the EU treaties and the UK remaining in the EU.

THE BIGGEST EU EXPORTERS TO THE UK BY SIZE

Chart 4 ranks EU countries' exports to the UK. The top 10 countries (from Germany to Denmark) accounted for nearly 90% of the total exports to the UK from EU countries in 2013. The top 3 (Germany, the Netherlands and France) accounted for over half of the EU's exports to the UK. Germany alone accounted for over a quarter of the EU's exports to the UK. Given the concentration of trade in the 10 major exporters to the UK, the rest of this analysis considers these countries only.

Chart 4 The UK's EU trading partners, ranked by size of exports to UK, cumulative data (%), 2013 [13]



13. IMF, 'Direction of Trade Statistics', quarterly 03/15 (See annex table 2 for the data).

THE VIEW FROM SPAIN

PLEASE STAY WITH US

ALEJO VIDAL-QUADRAS - former MEP and Vice-President, European Parliament

Many Spanish citizens are wondering why a significant part of the British people wants their country to leave the European Union. Relations between Spain and the United Kingdom are large and intense for the mutual benefit of both nations. Spain has a positive trade balance with the UK, with an export volume close to 16 billion Euros in 2013. Tens of thousands of Spanish students go each year to the UK to learn English and thousands more are formed in British universities. Around 150,000 Spaniards live and work in the UK while around 300,000 Britons have their permanent residence in Spain. There are very old historical ties between Spain and the United Kingdom, and the mutual influence in the political, cultural, literary and economic fields has been great over the centuries.

The majority of the Spanish people are sympathetic to the UK and admire it for its prosperity, traditions, global influence and for the civic maturity of its society. Also, we Spaniards feel pleased and proud to be partners with the UK in the European Union and greatly appreciate that, thanks to this partnership, the relations of all kinds between our two countries are easier and deeper. There is no doubt that the Spanish people would feel as a great loss the exit of the UK of the European Union, and we follow with great interest the debate around this issue that is taking place in the British public opinion.

When the Spanish people analyze the pros and cons of a possible 'Brexit', we find a long list of papers, reports and assessments that do not allow us to reach a clear conclusion. Depending on who does the calculations and predictions, the figures vary and the forecast fluctuates. For example, ***if a UK hypothetically outside the European Union agrees a free trade agreement with the EU Member States favourable to their interests, their exports of manufactured goods and services to Europe would hardly suffer.*** But if this is not the case and the UK's trade becomes subject to tariff and non-tariff barriers as any non-European country, then the damage to the economy could be considerable.

The same can be said of their negotiating capacity in international trade, as it seems obvious that it is more advantageous to sit at the table to discuss with the United States, China, India, Russia, Brazil and Japan integrated on a global player with an inner market of 500 million people and that accumulates 20% of world GDP, than going alone. In any other chapter that we can examine, such as Research & Development, defence, immigration, public accounts or employment, the risks of losing positions are notorious and the benefits are debatable.

In Spain we are suffering the negative effects of an artificial conflict created by Catalan nationalists who insist on separating their Community out of Spain, promoting an irrational project that will result, if successful, in a painful division of the Catalan society and in tremendous economic, political and social damage for the Catalans and the Spaniards in general. The UK experienced a similar trauma on the occasion of the referendum on self-determination of Scotland, fortunately settled in favour of national unity. Therefore, we the Spanish observe with a marked distrust all political processes that seek to disengage what is connected and reverse paths of integration to promote dissolution of political-economic-and legal consolidated entities that promote peace, cooperation and solidarity among nations. If the Spanish people are asked if they want the UK to leave the European Union, a vast majority would answer 'no', that they prefer that the UK remains a member for it to continue contributing with its liberal, modern and advanced vision of Europe.

A political approach to Brexit reveals it to be a minefield for the Conservative Party and its leader David Cameron. The Prime Minister is openly in favour of the United Kingdom remaining in the European Union, but only after reforms that correct the defects he considers to make the current situation unsatisfactory for his country. Of course, if Cameron achieves that the other twenty-seven Member States accept his proposals to improve the institutional structure and the EU policies, and then after he wins the referendum - that he said he would call before the end of 2017 - his triumph would be egregious and it will assure him a place of honour in the history of the UK and Europe. However, some of his claims are more viable than others. The limitation of benefits to newcomer migrants from other Member States could be accepted within certain margins, especially now that Europe as a whole is under the terrible pressure of the refugees coming from the Middle East. His demand to reduce the EU bureaucracy and regulations to diminish redundancy and avoid the unnecessary and to focus on doing better what the Union must do, will surely find the sympathy of many Member States as well as the Commission's - who has made 'Better Regulation' its first flag - the improvement of the internal market in areas such as digital technology, energy, services and capital union is a point where the United Kingdom will find broad support as it is a step forward in the integration and the efficient functioning of the European economy. The assurance that the Eurozone will not act or promote legislation damaging to the countries that are not attached to the common currency is something that nobody can refuse. On the other hand, the right of veto for national parliaments to EU legislative initiatives or 'opt-out' of the sacrosanct principle of 'ever closer union' are more complicated issues.

In any case, Cameron's strategy to negotiate reforms that respond to the concerns and aspirations of the British people and, in the case of achieving an acceptable result, to honour his promise of consulting his fellow citizens, leading the campaign to continue in the Union, is not only intelligent, but the only possible one.

While the distrust of the European Union has grown throughout all the territory from the Atlantic to the Danube and from the Baltic to the Mediterranean because of the crisis and the severity of the austerity measures imposed by Brussels, the only country where the 'exit' is seriously considered is the UK, with the sword of Damocles of the referendum hanging over their heads. The explanation for this radical behaviour may be in the words of Winston Churchill in a speech in Zurich on September 19, 1946:

"We are in Europe, but not of it. We are linked, but not comprised. We are interested and associated, but not absorbed."

That is the British way of being Europeans, always keeping distance, proud of its singularity and sovereignty. And it is because of this indomitable spirit and because of the role the UK has played to keep the Union from crossing the red line that separates a Union of States and citizens from a Superstate, that we admire them, we need them and we want them with us, working hand in hand for a prosperous, free and democratic Europe. Please, do not go.

ANNEX

EU GOODS EXPORTS TO UK - SURPLUSES AND DEFICITS

Table 1 EU-27 trade (goods) with UK, $bn, 2013 [14]

	Exports to UK (% share of total in brackets)+	Total exports (DOTS)	Imports from UK (% share of total in brackets)+	Total imports (DOTS)	Exports minus imports+
Austria	5.0 (3.0%)	168.8	2.7 (1.5%)	180.3	2.3
Belgium	35.2 (7.8%)	452.4	23.8 (5.3%)	447.5	11.4
Bulgaria	0.6 (2.1%)	29.1	0.5 (1.5%)	34.1	0.1
Croatia	0.2 (1.9%)	11.8	0.2 (1.2%)	20.9	0
Cyprus	0.3 (14.6%)	1.9	0.4 (6.5%)	6.3	-0.1
Czech Republic	7.8 (4.9%)	160.3	3.5 (2.4%)	143.7	4.3
Denmark	9.6 (8.9%)	107.5	5.1 (5.4%)	94.1	4.5
Estonia	0.4 (2.5%)	15.8	0.8 (4.3%)	17.7	-0.4
Finland	3.9 (5.3%)	73.4	2.5 (3.2%)	77.2	1.4
France	40.0 (7.0%)	569.2	32.9 (4.9%)	665.3	7.1
Germany	100.2 (7.3%)	1,365.7	57.8 (4.9%)	1,177.0	42.4
Greece	1.3 (3.6%)	35.8	1.6 (2.5%)	61.5	-0.3
Hungary	4.3 (4.1%)	104.6	1.9 (1.9%)	98.2	2.4
Ireland	18.4 (16.9%)	108.5	25.9 (39.9%)	65.0	-7.5
Italy	26.0 (5.1%)	510.2	12.8 (2.8%)	454.2	13.2
Latvia	0.5 (3.5%)	14.2	0.4 (2.1%)	17.8	0.1
Lithuania	1.6 (5.0%)	32.2	0.8 (2.4%)	34.6	0.8
Luxembourg	0.5 (2.7%)	18.4	0.3 (1.1%)	26.6	0.2
Malta	0.1 (5.6%)	2.5	0.4 (6.8%)	6.0	-0.3
Netherlands	56.2 (8.5%)	659.5	38.5 (6.6%)	585.9	17.6
Poland	13.3 (6.8%)	196.9	5.8 (2.9%)	197.7	7.6
Portugal	3.5 (5.6%)	62.2	2.2 (2.9%)	75.2	1.3
Romania	2.7 (4.2%)	64.5	1.5 (2.3%)	66.5	1.2
Slovak Republic	3.9 (4.8%)	80.5	1.0 (1.3%)	80.5	2.8
Slovenia	0.6 (1.7%)	33.9	0.5 (1.5%)	33.3	0.1
Spain	21.8 (7.1%)	307.8	13.9 (4.1%)	337.8	7.9
Sweden	11.0 (6.9%)	159.8	9.5 (6.0%)	158.1	1.4

14. IMF, 'Direction of Trade Statistics', quarterly 03/15. Preliminary data for 2014 are available on the IMF website (indicates the data were calculated from data in $m).

EU GOODS EXPORTS TO UK - BY VALUE

Table 2 Exports (goods) to UK, $bn, 2013, ranked in descending order of export size [15]

	Exports to UK			Total exports
EU exporting country	$bn	Cumulative ($bn)	Cumulative share (%)	$bn
Germany	100.2	100.2	27.2	1,365.7
Netherlands	56.2	156.4	42.4	659.5
France	40.0	194.4	52.7	569.2
Belgium	35.2	231.6	62.8	452.4
Italy	26.0	257.6	69.8	510.2
Spain	21.8	279.4	75.7	307.8
Ireland	18.4	297.8	80.7	108.5
Poland	13.3	311.1	84.3	196.9
Sweden	11.0	322.1	87.3	159.8
Denmark	9.6	331.7	89.9	107.5
Czech Republic	7.8	339.5	92.0	160.3
Austria	5.0	344.5	93.3	168.8
Hungary	4.3	348.8	94.6	104.6
Finland	3.9	352.7	95.6	73.4
Slovak Republic	3.9	356.6	96.7	80.5
Portugal	3.5	360.1	97.6	62.2
Romania	2.7	362.8	98.3	64.5
Lithuania	1.6	364.4	98.8	32.2
Greece	1.3	365.7	99.1	35.8
Slovenia	0.6	366.3	99.3	33.9
Bulgaria	0.6	366.9	99.5	29.1
Latvia	0.5	367.4	99.6	14.2
Luxembourg	0.5	367.9	99.7	18.4
Estonia	0.4	368.3	99.8	15.8
Cyprus	0.3	368.6	99.95	1.9
Croatia	0.2	368.8	100.0	11.8
Malta	0.1	368.9	100.0	2.5

15. IMF, 'Direction of Trade Statistics', quarterly 03/15.

CHANGES IN EXPORTS TO UK - TOP 10 EU EXPORTERS

Table 3 Top EU exporters to UK, exports change, 2008-2013 (%) [16]

GERMANY	2008 ($bn)	2013 ($bn)	Change (%)
France	137.9	132.8	-3.7
UK	94.7	100.2	5.8
Netherlands	96.7	94.3	-2.5
US	104.7	89.2	-14.8
Austria	80.4	74.7	-7.1
PRC: Mainland	50.1	73.2	46.1
Italy	91.3	70.7	-22.6
Switzerland	57.8	61.9	7.1
Poland	60.1	56.4	-6.2
Belgium	73.6	56.3	-23.5

NETHERLANDS	2008 ($bn)	2013 ($bn)	Change (%)
Germany	162.6	169.2	4.1
Belgium	87.9	86.1	-2.0
France	56.8	57.4	1.0
UK	56.5	56.2	-0.5
Italy	33.0	29.7	-10.0

FRANCE	2008 ($bn)	2013 ($bn)	Change (%)
Germany	96.9	94.6	-2.4
Belgium	46.2	44.7	-3.3
Italy	53.0	41.0	-22.6
UK	47.1	40.0	-15.1
Spain	50.5	39.2	-22.4

16. IMF, Direction of Trade Statistics (DOTs) database.

BELGIUM	2008 ($bn)	2013 ($bn)	Change (%)
Germany	93.5	79.2	-15.3
France	82.5	73.4	-11.0
Netherlands	57.9	57.7	-0.3
UK	34.2	35.2	2.9
US	23.1	20.8	-10.0

ITALY	2008 ($bn)	2013 ($bn)	Change (%)
Germany	68.9	64.3	-6.7
France	60.5	56.1	-7.3
US	33.9	35.9	6.0
Switzerland	21.4	27.1	26.6
UK	28.4	26.0	-8.5

SPAIN	2008 ($bn)	2013 ($bn)	Change (%)
France	51.9	51.4	-10.0
Germany	29.7	32.4	9.1
Portugal	25.6	23.0	-10.2
Italy	22.8	21.9	-3.9
UK	20.1	21.8	8.5

IRELAND	2008 ($bn)	2013 ($bn)	Change (%)
US	23.8	29.2	22.7
UK	23.2	18.4	-20.7
Belgium	18.4	14.9	-19.0
Germany	8.7	8.3	-4.6
Switzerland	3.8	6.8	78.9

POLAND	2008 ($bn)	2013 ($bn)	Change (%)
Germany	42.8	51.4	20.1
UK	9.8	13.3	35.7
Czech Rep.	9.7	12.7	30.9
France	10.6	11.5	8.5
Russian Fed.	8.9	10.2	14.6

SWEDEN	2008 ($bn)	2013 ($bn)	Change (%)
Norway	17.5	17.0	-2.9
Germany	19.1	16.7	-12.6
Finland	11.6	11.8	1.7
Denmark	13.6	11.4	-16.2
UK	13.5	10.9	-19.3

DENMARK	2008 ($bn)	2013 ($bn)	Change (%)
Germany	20.7	18.5	-10.6
Sweden	16.9	13.4	-20.7
UK	9.7	9.6	-1.0
US	6.3	6.8	7.9
Norway	6.7	6.7	0

EU JOBS DEPENDENT ON UK TRADE - CALCULATIONS

			Employment, millions		
	Exports to UK/GDP (%)	Trade surplus with UK/GDP (%)	Total, millions	'Dependent' on exports to UK	'Dependent' on trade surplus with UK
Germany	2.7%	1.1%	39.5	1.066 = 1,066k	0.435 = 435k
Netherlands	6.2%	2.0%	8.3	0.515 = 515k	0.166 = 166k
France	1.4%	0.2%	25.7	0.360 = 360k	0.051 = 51k
Belgium	6.7%	2.2%	4.5	0.301 = 301k	0.099 = 99k
Italy	1.1%	0.6%	22.2	0.244 = 244k	0.133 = 133k
Spain	1.5%	0.5%	17.1	0.256 = 256k	0.086 = 86k
Ireland	7.7%	-3.2%	1.9	0.146 = 146k	-0.61 = -61k
Sweden	2.4%	0.2%	4.7	0.113 = 113k	0.009 = 9k
Poland	2.0%	1.5%	15.6	0.312 = 312k	0.235 = 234k
Denmark	2.8%	1.3%	2.7	0.076 = 76k	0.035 = 35k
TOTAL			**142.2**	**3.389 = 3,389k**	**1.187 = 1,187k**

Table 4 EU main exporters to UK, rule of thumb calculations for jobs 'dependent' on exports to and trade balance (goods) with the UK, 2013 [17]




17. IMF, 'Direction of Trade Statistics', quarterly 03/15; (ii) IMF World Economic Outlook database (April 2015) for countries GDP in $bn; (iii) Eurostat database, total employment, 2013 (LFS concept).

David CAMPBELL BANNERMAN MEP
(UK - ECR)

David Campbell Bannerman is a Conservative MEP for the East of England. He was first elected in June 2009, and re-elected in May 2014. He sits in the European Conservatives and Reformists Group (ECR) in the European Parliament David is distantly related to the Liberal Prime Minister Sir Henry Campbell-Bannerman and to the Canadian Premier Diefenbaker.

David was born in Bombay (Mumbai) India, as was his father. He is now responsible for the EU-India Free Trade Agreement in the European Parliament, and met Mr Modi the Indian Prime Minister recently. David serves on the International Trade Committee and is also Chairman of the Iraq Delegation, recently visited the front line facing ISIS with the Kurdish Peshmerga forces.

As a former ministerial advisor, David has served at the highest levels of the British Government. During the Irish Peace Process, David was the Special Adviser to Sir Patrick Mayhew who was the Secretary of State for Northern Ireland. He was also Chairman of the influential Bow Group think tank when it had 100 MP members.

David recently established Conservatives for Britain (CfB) with Co-Chairman Steve Baker MP. CfB is a new campaign group to represent the large number of Conservative supporters who want to see fundamental change in Britain's relationship with the European Union. He has now chosen to campaign fully for Vote Leave, the pro-Brexit organisation, following the disappointment of the Prime Minister's letter to Donald Tusk. David wrote the influential book 'Time To Jump' advocating an 'EEA Lite' model with the EU in 2013.

David holds a M.A. (Honours) in Economics and Politics from the University of Edinburgh, and studied at the Wharton School of the University of Pennsylvania on a scholarship fund, where he learnt to fly small planes. He had a career in communications - public affairs and advertising - and has travelled extensively. His hobbies including film screenplay writing where he has pitched scripts in Hollywood and at Cannes.

Ruth LEA CBE
(UK)

Ruth Lea CBE has been an independent non-executive director of the Arbuthnot Banking Group PLC since 2005 and the Group's Economic Adviser since 2007.

Ruth co-founded Global Vision in 2007 and was Director until 2010, and was previously the Director of the Centre for Policy Studies (from 2004 to 2007), Head of the Policy Unit at the Institute of Directors (from 1995 to 2003) and Economics Editor at ITN (from 1994 to 1995). Prior to ITN she was Chief UK Economist at Lehman Brothers, Chief Economist at Mitsubishi Bank, worked for 16 years in the Civil Service (the Treasury, the DTI, the Civil Service College and the Central Statistical Office) and was an economics lecturer at Thames Polytechnic (now the University of Greenwich).

She is the author of many papers and articles on economic issues and has been a Governor of the London School of Economics and Council Member of the University of London. She is also the Chairman of Economists for Britain, a sub-campaign of Business for Britain, which seeks to reform Britain's relationship with the EU.

Morten MESSERSCHMIDT MEP
(Denmark - ECR)

Morten Messerschmidt is a member of the European Parliament for the Danish People's Party. He won his seat in a landslide in the 2009 elections with 284,500 personal votes, and 465,758 personal votes in the 2014 election.

Before taking his seat in the European Parliament, he was a member of the Danish parliament (Folketinget) from 8 February 2005, having won his seat with 3,812 personal votes. He was recently heavily involved in the successful referendum opposing greater Danish cooperation with the EU on justice affairs.

He currently serves as Chief Whip of the European Conservatives and Reformists (ECR) Group. He graduated with a Master of Laws (LL.M.) degree.

Hans-Olaf HENKEL MEP
(Germany - ECR)

Hans-Olaf Henkel is a Member of the European Parliament, representing the political party Alliance for Progress and Renewal (ALFA) as part of the European Conservatives and Reformists. He was a manager at IBM, President of the Bundesverband der Deutschen Industrie (de) (BDI, Federation of German Industries) and President of the Leibniz Association.

He was born and raised in Hamburg. He studied at the Akademie für Gemeinwirtschaft, which merged as Universität für Wirtschaft und Politik (de) (HWP) with the Hamburg University in 2005. Henkel joined IBM Germany in 1962. From September 1993 to December 1994 he was head of IBM Europe, Middle East and Africa with his office in Paris. From 1995 to 2000 he was President of the Federation of German Industries (BDI).

He was President of the Leibniz Association from 2001 to 2005. Henkel is a board member of the Deutscher Familienverband (de) (German family association).

Henkel received an Honorary Doctor's degree from the Technical University of Dresden. The WWF named him 'Environmental Manager of the Year'. As author of numerous publications he received among other awards the international writer's award 'Corine'.

Dick ROCHE (Ireland)

Dick Roche is a former Irish Minister for European Affairs and former Irish Minister for the Environment. Mr Roche led Irish Government Referendum campaigns on the Nice Treaty and Lisbon Treaty.

He was a key figure in the highly successful 2004 Irish Presidency of the EU and headed the Irish delegation to the Convention on the future of Europe.

Alejo VIDAL-QUADRAS (Spain)

Alejo Vidal-Quadras is a former long serving Spanish Member of the European Parliament, and a radiation physicist. On July 20, 1999 he was first elected as one of the 14 Vice-Presidents of the European Parliament and continued to serve in this role until 2014.

In addition to serving in the European parliament, he has occupied several elected positions in Spain: he was a member of the Barcelona City Council (1987-1991), member of the Parliament of Catalonia (1988-1996) and Senator in the Spanish Senate (1996-1999).

Anna FOTYGA MEP (Poland - ECR)

Anna Elżbieta Fotyga is a Polish economist, politician, Member of the European Parliament and former Minister of Foreign Affairs of Poland, in the successive cabinets of Kazimierz Marcinkiewicz and Jarosław Kaczyński. She was Poland's first female to serve in the role. In July 2014 she became chair of the European Parliament Subcommittee on Security and Defence.

Fotyga is a graduate of the University of Gdańsk and the Danish School of Public Administration. She also served postgraduate internships at the Department of Labor of the United States, Cornell University in New York and the European Bank for Reconstruction and Development.

In 1981, and again after 1989, she acted as Head of the Foreign Office of the Solidarity headquarters in Gdańsk. In 2000, Fotyga served as a foreign affairs adviser under then Prime Minister Jerzy Buzek. Subsequently, she was Deputy Chair of the Supervisory Board of Social Security Administration (Zakład Ubezpieczen Spolecznych, ZUS) with special expertise in International Labour Organization (Międzynarodowa Organizacja Pracy) and the World Bank. From 2002 to 2004, she was Deputy Mayor of Gdańsk.

Fotyga garnered 25,994 votes (the second highest in the region) in the 2004 European parliamentary elections as a candidate of the Law and Justice (PiS) party in the Pomeranian Voivodship.

Until 20 August 2008 Fotyga was the Chief of the Office of the President of the Republic of Poland.

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