

UK CURRENT SITUATION

BREXIT

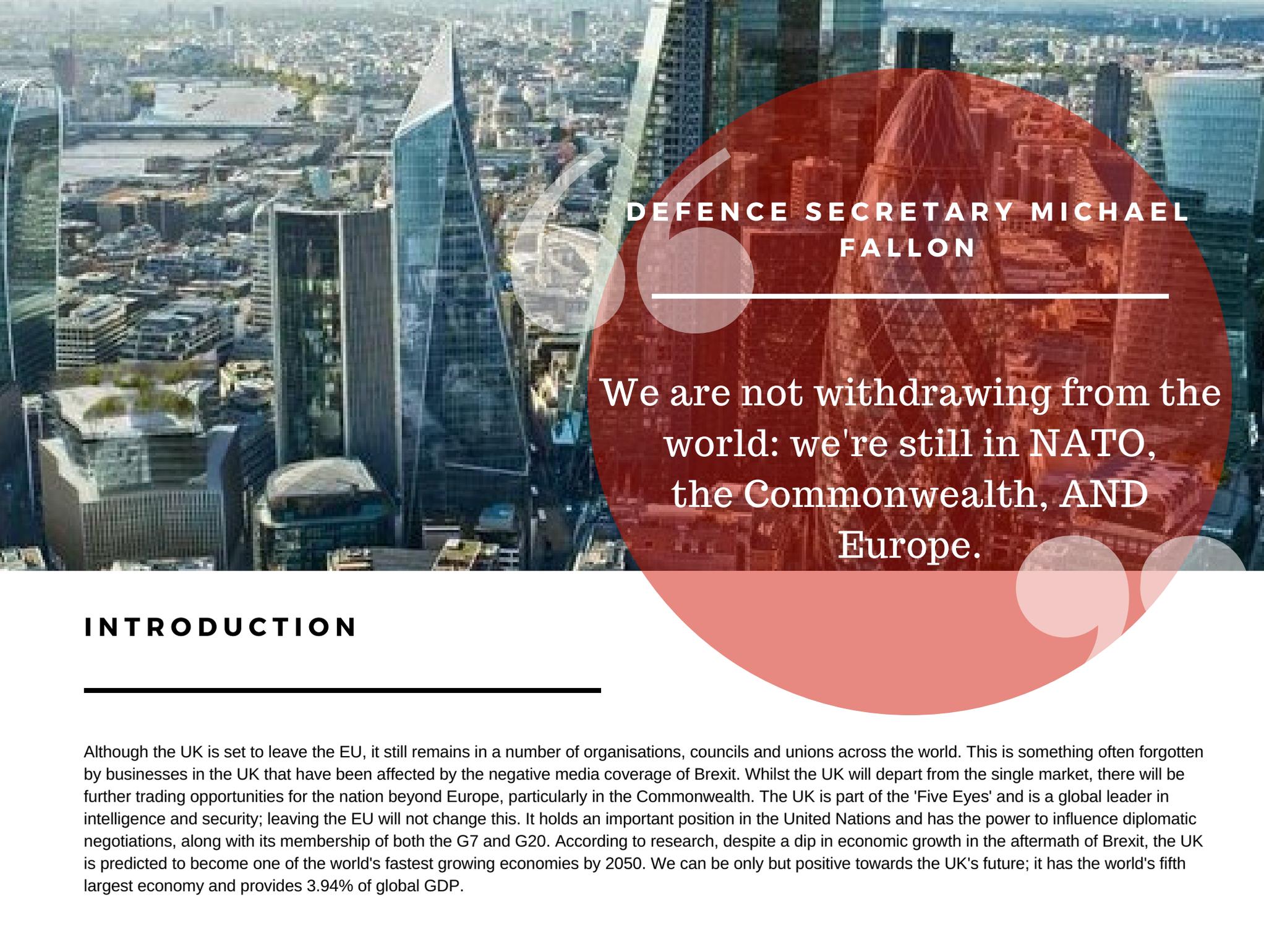
BRITISH-PORTUGUESE CHAMBER OF COMMERCE



100 YEARS
ANOS

British-Portuguese Chamber of Commerce
Câmara de Comércio Luso-Britânica

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DEFENCE SECRETARY MICHAEL
FALLON

We are not withdrawing from the
world: we're still in NATO,
the Commonwealth, AND
Europe.

INTRODUCTION

Although the UK is set to leave the EU, it still remains in a number of organisations, councils and unions across the world. This is something often forgotten by businesses in the UK that have been affected by the negative media coverage of Brexit. Whilst the UK will depart from the single market, there will be further trading opportunities for the nation beyond Europe, particularly in the Commonwealth. The UK is part of the 'Five Eyes' and is a global leader in intelligence and security; leaving the EU will not change this. It holds an important position in the United Nations and has the power to influence diplomatic negotiations, along with its membership of both the G7 and G20. According to research, despite a dip in economic growth in the aftermath of Brexit, the UK is predicted to become one of the world's fastest growing economies by 2050. We can be only but positive towards the UK's future; it has the world's fifth largest economy and provides 3.94% of global GDP.



THE UNITED NATIONS

The UK is one of the UN's founding members. It occupies one of the five permanent seats on the United Nations Security Council, the most powerful body in the UN. Britain is also an important contributor to UN peacekeeping operations.

As one of the five permanent members of Security Council, the UK has particular responsibility for the maintenance of international peace and security. It plays a key role in the adoption of resolutions on conflict situations, including those mandating the use of force, and - like the other permanent members - has the right of veto over substantive decisions.

The UK is the fifth-largest contributor to the UN's regular budget, contributing 5.19% of the budget - or £82m - in 2014. The UK is also the fifth-largest contributor to the UN's peacekeeping budget, paying for 6.68% of \$7bn a year.

One particular priority for the UK has been women, peace and security. It has initiated a number of resolutions on issues such as sexual violence in conflict and the inclusion of women in peace processes.

The UK is the

5th

*largest contributor
to the UN*

“The United Kingdom has always been an outward-facing, global partner at the heart of international efforts to secure peace and prosperity for all our people. - Theresa May, Prime Minister”



“Young people in non-European G20 countries thought Brexit added to Britain's appeal - POLITICO”

G20

The G20 is the forum for international economic cooperation which discusses international financial and monetary policies, reform of international financial institutions and world economic development. The group accounts for 85% of world GDP and two-thirds of its population.

The first G20 summit occurred in Berlin, in December 1999 and was hosted by the German and Canadian finance ministers. Since then there have been 18 G20 meetings between finance ministers and central bank governors, and 10 summits between heads of state or government of G20 economies.

The G20 differs from the G8 in that the G8 seeks cooperation on economic issues facing the major industrial economies, while the G20 reflects the wider interests of both developed and emerging economies.

TWO THIRDS

*of the world's population
represented by the G20*

“The UK will continue to play a full part in European security questions as we prepare to leave the EU. - Boris Johnson”

€141.1 million

*OSCE budget
2015*

OSCE

The OSCE has a comprehensive approach to security that encompasses politico-military, economic and environmental, and human aspects. It therefore addresses a wide range of security-related concerns, including arms control, confidence- and security-building measures, human rights, national minorities, democratization, policing strategies, counter-terrorism and economic and environmental activities. All 57 participating states enjoy equal status, and decisions are taken by consensus on a politically, but not legally binding basis.

One of the OSCE's most recent missions has been to end the conflict in Eastern Ukraine. The Special Monitoring Mission is an unarmed, civilian mission, present on the ground 24/7 in all regions of Ukraine. Its main tasks are to observe and report in an impartial and objective way on the situation in Ukraine; and to facilitate dialogue among all parties to the crisis.

OSCE participating states have developed the world's most advanced regime of conventional arms control and confidence-building measures. The UK contributes to the work of the OSCE in addressing conflicts in the OSCE region, including Ukraine. The UK works to counter evolving transnational, non-military threats such as terrorism and organised crime.

“With annual average growth of about 1.9% over the period to 2050, the UK is projected to be the fastest-growing economy of the G7 - PricewaterhouseCoopers”

The G7 represents

60%

of the world's total GDP

G 7

The G7 is the informal bloc of industrialised democracies - the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom - that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Together the eight countries making up the G7 represent about 14% of the world population, but they represent about 60% of the world's wealth and 60% of the world's gross domestic product.

The forum originated with a 1975 summit hosted by France that brought together representatives of six governments: France, West Germany, Italy, Japan, the United Kingdom, and the United States, thus leading to the name Group of Six or G6. The summit became known as the Group of Seven or G7 in 1976 with the addition of Canada. The G7 is composed of the seven wealthiest developed countries on earth (by national net wealth or by GDP).

Russia was added to the group from 1998 to 2014, which then became known as the G8. However Russia was later suspended and subsequently became a part of BRICS.



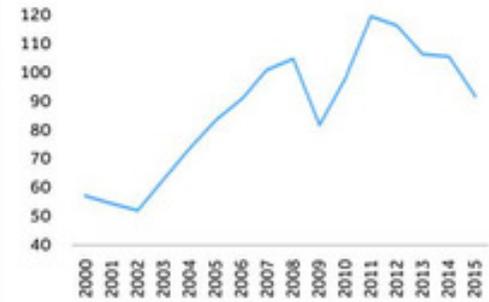
33%

of UK total exports are to the Commonwealth

HALF

of the top 20 global emerging cities are in the Commonwealth

Figure 1: Commonwealth countries' total trade with the UK (US\$ billions), 2000–15



Source: Authors' calculation using UNCTADstat data.

THE COMMONWEALTH

The Commonwealth evolved out of the former British Empire and consists of 54 members worldwide that have a historical connection to Britain. It is a voluntary, intergovernmental organization that seeks to promote mutual understanding, friendship and trade.

The UK government has made it clear that the Commonwealth is of immense importance to the United Kingdom. No matter how you look at the relationship – historic, cultural, or personal ties – the UK's connection with the Commonwealth is stronger now than ever. The fact that Commonwealth citizens residing in the UK had the right to vote in the EU referendum shows just how close that connection is.

The Commonwealth boasts a combined Gross National Income of \$10.7 trillion, and a youthful population, of whom 60 per cent are under the age of 30. Trade is on average 19% cheaper between Commonwealth countries due to similarities in the legal systems and language.



COMMON TRAVEL AREA

The Common Travel area is similar to the Schengen area within the EU, in that it promises free movement and an open borders policy for the Ireland, the United Kingdom of Great Britain and Northern Ireland, the Isle of Man, and the Channel Islands.

Contrary to common belief, the CTA does not permit completely free movement of people between the UK and Ireland. The CTA only permits citizens of Ireland and/or the UK to travel between the two countries without a passport.

The future of that frontier is unclear and could be complicated because it would be the UK's only land border with the EU.

“We benefitted from a common travel area between the UK and the Republic of Ireland for many years before either country was a member of the EU, There is a strong will on both sides to preserve it and so we must now focus on securing a deal that is in the interests of both of us. - Theresa May, Prime Minister”

330,000

Irish nationals in the UK

COUNCIL OF EUROPE

The Council of Europe is the continent's leading human rights organisation. It includes 47 member states, 28 of which are members of the European Union and is based in Strasbourg.

Founded in the aftermath of the Second World War, the Council of Europe is Europe's oldest political organisation. In 1959 the council established a European Court of Human Rights to protect the rights of individuals in member nations against arbitrary government action. The court has heard cases involving corporal punishment; the protection of minorities, immigrants, suspects, prisoners, and the mentally ill; and the infringement of rights of speech, the press, religion, privacy, and sexuality.

Achievements

- Abolition of the death penalty
- Strengthening of human rights
- Non-discrimination and the fight against racism
- Upholding freedom of expression
- Gender equality
- Protection of children's rights
- Defence of cultural diversity
- Election observation
- Education in human rights and democracy
- Quality of medicines and health care



IMF

The IMF oversees the international financial system and assists member nations that are experiencing financial difficulties. The amount that IMF members contribute to the organisation is relative to the size of their economies. For instance, as the UK is the world's fifth largest economy, and it contributed 20,155bn in 2016.

Together, the United States, Germany, Japan, the U.K. and France control about 40% of the shares in both the World Bank and the IMF.

In the United Kingdom, slower growth is expected since the referendum as uncertainty in the aftermath of the Brexit vote weighs on firms' investment and hiring decisions and consumers' purchases of durable goods and housing. Growth was at 1.8% in 2016 and is forecast as 1.5% in 2017, based on the assumptions of smooth post-Brexit negotiations and a limited increase in economic barriers. 2018 expectations were revised down from 1.7% to 1.4%.

£20,155bn

UK IMF Quota 2016

The logo of the International Monetary Fund (IMF) Treasury Fundamentals. It features a circular emblem with a globe in the center, surrounded by the words "INTERNATIONAL MONETARY FUND" and "TREASURY FUNDAMENTALS". The logo is set against a dark background with a light-colored border.

“The fundamentals of the UK economy are strong, and the IMF forecasts confirm their view that the UK was the fastest-growing major advanced economy last year - Treasury spokesman”

OECD

The OECD promotes collaboration on economic issues, gathers statistical information, and offers advice to less-developed countries. It is based in Paris.

Like all the member countries, the United Kingdom maintains a permanent delegation to the OECD, composed of an ambassador and diplomats and has been a member since 2 May 1961.

In terms of employment, over 73% of people aged 15 to 64 in the United Kingdom have a paid job, above the OECD employment average of 66%. Also, 79% of adults aged 25-64 have completed upper secondary education, higher than the OECD average of 76%.

Concerning the public sphere, there is a strong sense of community and a moderate level of civic participation in the United Kingdom, where 93% of people believe that they know someone they could rely on in time of need, higher than the OECD average of 88%.

€19.8 million

*2016 UK contribution
to OECD*



NATO

The North Atlantic Treaty Organisation (NATO) is a binding agreement between 28 member states, including the United States. The effect of this agreement is to bind America to defend Europe. Any aggressor who attacks any NATO ally - whether Estonia or Canada or Greece - knows that it will also have to go to war with the United States.

The UK will continue to contribute to the security of Europe and maintain its strong defence relationship with the United States. In some ways, the special relationship Britain has with its transatlantic partner benefits Europe as a whole as it provides a bridge between the continent and the US.

The post of Deputy Supreme Allied Commander (DSACEUR) has been held by Britain for more than 60 years, one of the most senior military positions in NATO.

The European Union has been in talks to set up an EU army. However, many people are against this as NATO is Europe's primary defence system. The EU plays more of a political role in international security - it can impose sanctions, for example on Putin - and therefore has significant power to influence change. However, it is NATO that has the military power.

10.5%

*of NATO budget
funded by the UK*

“The UK will strive to play a role in EU foreign policy after it leaves, but will make the most of Nato and bilateral ties to pursue national interests - Former Prime Minister David Cameron”



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