

## Balance of trade improves, government gives more money to foreigners

The balance of payments figures for the second quarter sum up the UK problem on the balance of payments. The deficit widened by £1.9bn from additional sums the government sent abroad, and from a £1.4bn deterioration in the net figure for interest and dividends. As we sell more and more of our assets to overseas buyers so more rewards will be sent out to foreign investors. On trade account we saw a £2,4bn improvement, with a £2.3bn improvement in the export of goods.

Inward investment remains very strong, at a net £11.7bn. This means we should expect further deterioration in the flows of interest and dividends in the years ahead. The UK government could improve the balance of payments by simply refusing to send the EU any more money after March 2019, which would be great news.