The Norwegian and Swiss approach to economic management

When we left the EU our per capita GDP was $41,124 , a useful one fifth higher than the EU average and 8% above the Eurozone average.

We were well behind the cluster of smaller non EU countries of western Europe who have adopted different economic models that served them well.

Switzerland at $86,601 and Norway at $67,389 are the largest and well above our levels and higher than the USA at $63,413. The Channel Islands, Greenland, Iceland and the Isle of Man are also well above.

Luxembourg and the Republic of Ireland have managed high gdp per capita within the EU by defying its dislike of lower taxes and setting themselves up as corporate tax havens. This has attracted substantial investment by large foreign companies, and head offices to book business legally through a low tax jurisdiction.

The Norway model rests heavily on large exports of oil and gas, with the country investing tax on this activity in a sovereign wealth fund. This fund now owns an impressive $1.4 trillion of assets on behalf of the Norwegian people. Norway has attracted substantial investment in reliable renewable power in the form of hydro for most of its own energy neds. Hydro power produces 95% of it electricity and 63% of its total energy. It has allowed the country to establish a large investment in heavy energy using industry, including aluminium production.

The Swiss model has rested on building commercial success in pharmaceuticals and chemicals, watch and jewellery design and fabrication and banking. Switzerland produces most of its electricity from hydro and nuclear, but imports a lot of oil and gas for other energy needs.

These countries demonstrate the huge opportunities for a smaller nimble country outside the EU bloc. Lower tax rates are central to most of the success stories, though Norway has done well by exploiting her advantages in energy. The UK should copy parts of both these strategies to get incomes per head closer to these achievements.