

The UK balance of trade

I have worried more about the UK's continuing balance of trade deficit than its persistent government deficit though both pose problems. Our trade deficit became entrenched during our time in the EU and revolved around a heavy deficit with EU in goods. Now we have left more could be done to replace imports from the EU. Our trade with the rest of the world has been much better balanced despite big deficits with China and Norway. We are in deficit with far too many EU countries.

In 2022 our deficit in goods was £231 bn. The three largest sources were Germany, Norway and China, accounting for around £40 bn each or a total of £120 bn. We have come far too dependent on importing energy from Norway. We import many vehicles, chemicals and machinery from Germany and many goods including our turbines, solar panels and batteries from China.

Getting out more of our own oil and gas is important to cut this deficit. Rosebank yesterday was a good start. Bring on the others I have written and spoken about.