

Trade wars

There is a new misleading Remain argument around at last. They have seized on Mr Trump's push back against China and are claiming this means the UK will become dependent on the WTO just at the point where the USA is undermining the world trading system.

This is another spectacular misunderstanding. Mr Trump is pushing hard bilaterally, and has already secured some relaxations of trade from China as a result of his actions. The USA and China remain members of the WTO and have to put their actions into a WTO legal framework. Mr Trump has so far bypassed WTO just over steel and aluminium, by claiming national security, but is pushing other changes through the usual WTO processes. There is no question of the USA leaving the WTO. Both the EU and the UK will continue to be governed by WTO rules after we have left the EU. The aim of Mr Trump is to end up with more access to China's markets, as he draws attention to the lack of symmetry between China's access to the USA and US access to China. It is highly likely he will secure more access, and thanks to WTO rules that will help us as well as the USA. Whatever China offers the USA she will have to offer the other WTO members.

The EU is now trying to exploit this argument as well. They are telling us that the UK with just 2.5% of world trade will not be as influential in the WTO as the EU with 13% of world trade after the departure of the UK. This too is a misunderstanding of how the WTO works. Small countries as well as large countries are looked after and helped by the WTO as long as they are pushing for freer trade. The WTO looks forward to the UK getting its vote and voice back in the WTO as the UK will be an important voice for freer trade worldwide, and will be seeking bilateral free trade agreements with countries that do not have them with the EU.