

Why the UK and the EU are falling so far behind the US

Consider the 2022 figures for GDP per head

USA. \$75 000

UK. \$45 000

EU. \$37 000

The UK has spent the last 50 years trying to align itself more and more in trade, economic regulation and general laws with the EU on the grounds that this political direction and sacrifice would help our economic progress. The way the US has pulled ahead and stayed ahead of Europe shows this was a generally mistaken view. The US per capita figure is twice the EU.

I am not suggesting we should instead have sought a close political link with the US or should have accepted their law codes . Better would have been to make our own laws, set competitive taxes and traded as freely as possible with the wider world. The Republic of Ireland showed how simply setting lower tax rates can make you prosperous and greatly boost tax revenues. Their 12.5% tax rate meant they attracted massive turnover and investment from the US giant corporations, delivering \$ 105 000 per head of GDP last year, almost three times the EU average.

The truth is the US has set a legal, tax and educational framework that has produced all the great non Chinese world companies of the digital age. Apple, Microsoft, Google, Amazon, Netflix, Meta and Nvidia are the US giants that have generated so much cash, made so much investment and created so many jobs, boosting US success.

The EU and UK should be alarmed that they have produced no trillion dollar tec successes. I will write future pieces on why. Today I just wish to remind the UK it is free to set a competitive tax rate. As Ireland shows that allows your economy to get a boost from US success.