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## PRESS RELEASE

### Importance of Trade in Services in the EU-UK Future Relationship

The European service industries call on the Brexit negotiators to recognize the critical importance of trade in services in the EU-UK future relationship. Trade in services will have a central role in this relationship.

The United Kingdom's exit from the European Union risks creating major disruption for services industries, with the danger of adverse consequences in terms of employment and wealth-creation across the EU and the UK. "The business community requires legal certainty as early as possible. We therefore call on the negotiators to take all necessary steps to minimise business disruption, to provide clarity as soon as possible on the Withdrawal Agreement, and to allow some flexibility in the management and duration of the transition period" said Noel Clehane, Chairman of the European Services Forum (ESF) in a [letter addressed to Brexit Chiefs Negotiators](#).

Services are the basis of both economies, representing 74% of EU GDP and 73% of the EU labour force and 80.4% of UK GDP and 83.5% of the UK labour force. "Services trade related issues are often not seen as decisive in trade negotiations, but in this case and without any doubt, they will be" highlighted Pascal Kerneis, ESF Director.

Based on its experience of trade negotiations, ESF is extremely concerned that - even with the strongest political will from both sides - a period of 21 months is unlikely to be sufficient to cover all the stages needed to put in place the future relationship, from initial agreement to implementation.

Services constitute a sizable share of the EU's overall trade, and in particular of EU27-UK bilateral trade. In value-added terms, 63.5% of UK total global exports are services, and 58.4% of EU total global exports are services<sup>1</sup>. Trade in services between the EU27 and the UK is deeply integrated as a result of progress towards the EU single market in services. For both the EU27 and the UK, it will be extremely important for the new relationship to avoid unnecessary damage to this significant source of jobs, growth and competitiveness.

EU-UK trade is not only about goods and custom controls. Do not forget that cross-border flows of goods do not take place without efficient services around them, including air, rail and sea transport, port services, road haulage, logistics, freight forwarding, customs clearance, delivery services, professional services, trade finance, insurance and insurance intermediation. It will be particularly important to ensure that the future relations between the EU and the UK are supported by a sound regulatory framework in all services sectors.

**About the ESF:** *The European Services Forum (ESF) is a European private sector grouping that represents the interests of the European services industry in international trade and investment negotiations related to services. It comprises major European service businesses and European service sector federations covering service sectors including (but not limited to) financial services, telecommunications and IT services, maritime transport, business and professional services, distribution, postal and express delivery, audio-visual and education services. Our membership comprises businesses and associations from all EU member states, including the United Kingdom.*

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<sup>1</sup> TiVA data base. Trade in Value Added by WTO & OECD -

## IMPORTANCE OF TRADE IN SERVICES for EU & UK

