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## PRESS STATEMENT

### European Service Industry Call for ambitious trade in services commitments in the EU-UK future trade agreement

The United Kingdom will leave the European Union on 31<sup>st</sup> January 2020. In the Political Declaration associated with the Withdrawal Agreement, the EU and the UK have established the parameters of “an ambitious, broad, deep and flexible partnership across trade and economic cooperation with a comprehensive and balanced Free Trade Agreement at its core”, on which negotiations are to begin shortly.

It is with these negotiations in mind that the European Services Forum has written to both the EU and the UK authorities to call upon them to ensure that any agreement on the future relationship between the EU and the UK will include in depth commitments on trade in services. It will be extremely important to cover trade in services between the two parties, as mutual trade in services is a significant source of jobs, growth and competitiveness in the EU27 and in the UK.

Trade in services will have a central role in the future EU-UK relationship as it is at present highly integrated and interdependent, reflecting the current stage reached in progress towards the EU single market in services. Eleven EU27 countries are among the UK’s top 20 services suppliers, and ten EU27 countries are among the UK’s top 20 export markets for services. These figures underline the degree of interdependence between the EU27 and the UK in services business, and the need for an efficient and open future relationship between both economies. 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 should be.

Services constitute a sizable share of the EU27’s overall trade to the UK and vice versa. The EU27 exported €98.6 billion services to the UK in 2018 and the UK exported €131.9 billion services to the EU27, which accounts for 41.4% of UK global exports of services. Trade in services represents 40.5% of UK total exports to the EU (goods + services). Any agreement between the EU and the UK must therefore include ambitious commitments in trade in services. An agreement that did not tackle services issues will potentially be hugely detrimental to both economies.



***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. ESF was created in 1999.*

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