

[Notice: This e-mail is sent to you because I have been informed - or have good reason to believe - that you would like to receive occasional e-mails from me on why the UK must leave the European Union.

If you do not want to receive e-mails from me, I apologise and perhaps you would let me know so that I can take your e-mail address off the list. or click on the unsubscribe" link below]



Tim Congdon's latest e-mail



Dear fellow member of UKIP (and others concerned about the UK's relationship with the EU),

As UKIP's Economics Spokesman between 2010 and 2014, I produced an annual assessment of the cost of its European Union membership to the UK. I have now updated the numbers and text in a 2015 edition. Please press the [link](#) if you would like to see it. As I constantly emphasize, this direct cost is only a small part of the economic damage attributable to EU membership. **Far worse, and much larger, are the costs due to excessive regulation, EU protectionism and such follies as the Common Fisheries Policy, as well as the social impacts of immigration on jobs, 'benefit tourism', 'health tourism' and so on.**

My main point this year is that the EU continues its sharp economic decline relative not just to the rest of the world as a whole, but also relative to other high-income nations. The heart of the problem is that productivity (output per person) in the EU is held back by excessive regulation and high taxation, while the burden of regulation increases all the time. The table below – which is taken from the first chapter of the latest *How much does the European Union cost Britain?* – demonstrates the failure of the EU's core nations (i.e., the nations sharing the single currency) to expand in the years since the Great Recession. At the same time rich nations in the English-speaking world have seen output move ahead by about 10%.

Table 1.1: The EU's economic decline, relative to other high-income societies

Table shows % rate of change in constant-price GDP, according to the IMF

	2012	2013	2014	2015	2016	Cumulatively, over five years to 2016
USA	2.2	1.5	2.4	2.6	2.8	12.0
Japan	1.7	1.6	-0.1	0.6	1.0	4.9
Canada	1.9	2.0	2.4	1.0	1.7	9.3
Australia	3.6	2.1	2.7	2.4	2.9	14.5
Hong Kong	1.7	3.1	2.5	2.5	2.7	13.1
Singapore	3.4	4.4	2.9	2.2	2.9	16.9
Euro area	-0.8	-0.3	0.9	1.5	1.6	2.9
European Union	-0.4	0.2	1.5	1.9	1.9	5.2

On this basis I suggest that EU regulation is responsible for productivity growth being ½% a year lower than would otherwise be the case. That takes the total cost of membership up to 12% of GDP or about £190 billion. The slide in the EU' share of world output – which amounts to about a halving since 1980 – is clear evidence that something is wrong with public policy in the nations that have decided to join it.

Of course a referendum on our membership of the EU will be held before the end of 2017. This year's report on the cost of the EU is much shorter than the 2012 and 2013 exercises. (I have been busy setting up a new research institute at the University of Buckingham. Its main interests are in the impact of money and banking on fluctuations in economic activity, a subject which has been a long-standing interest of mine.) I hope in 2016 to write an appreciably longer report to inform the referendum debate.

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You are free to let me know if you want the 2015 version of the How much does the European Union cost Britain? publication, but I do not plan this year to take responsibility for distribution. (The party may or may not be willing to distribute the publication. I am not sure at this stage, although I would help the party to pay for printing and distribution if there were interest.) The publication will appear on my website www.timcongdon4ukip.com. Late next month you will be able to print off the PDF version from there.

With best wishes,

A handwritten signature in black ink that reads "Tim Congdon". The signature is written in a cursive, slightly slanted style.

Runner-up in the 2010 UKIP leadership election
UKIP Economics Spokesman 2010 – 14

(Please note: I will be away until just before Christmas, so will not be able to respond to your replies for some time)