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## *News Release*

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### **Brexit could weaken trade links with Asia, study suggests**

The UK could suffer from poorer trade links with Asia if it leaves the European Union, a study suggests.

Asia's strong economic links with Europe, regional attitudes to separatism and the UK's shifting international priorities would negatively impact on Asian trade links post Brexit, researchers say.

The study suggests that Britain leaving – particularly without a deal – would put trade relationships with Asia at risk because Asian investors would fear reduced access to Europe's single market.

The UK is seen by many Asian countries as a key economic gateway to Europe, researchers say. Countries such as Japan and China repeatedly stress the value of Britain's ties to the EU, including movement of people, goods, services, data and cross-border investment.

The University of Edinburgh study takes issue with a key strand of the Leave campaign – the promise of enhanced economic opportunities beyond Europe, with China, India, Australia, and the Association of Southeast Asian Nations (ASEAN).

Researchers say that the EU is China's largest trade partner and a leading economic partner for all Asian economies.

They add that the EU accounts for around 10 per cent of ASEAN's international trade and is the region's largest external source of foreign direct investment.

A post-Brexit Britain would court the same potential partners as the EU. Researchers believe that there is little in the UK's regional trade and investment profile to suggest that it could achieve parity of interest with Brussels.

Asian partners have traditionally viewed Britain as a political bridge to Europe, a strong voice on European security and promoter of liberal trade practises.

The UK has some of the EU's strongest political networks in Asia, but researchers believe that these connections are likely to weaken because of an increased focus on negotiations with Europe following Brexit.

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The study focused on the drive by British governments, since the economic crash of 2007/08, to strengthen the UK's economic, political and security relations throughout Asia.

It draws on data from the UK Office for National Statistics and interviews with Asian diplomats and staff of British non-governmental organisations in the region. The study shows that the UK's redirection of attention and resources to Asia intensified after 2010, but that its overall aims have not been realised.

Researchers suggest that core elements of the UK's presence in Asia could be sustained outside the EU, including specialisms in international bureaucracy, security and education – which largely operate independently of Brussels.

They conclude that Brexit would bring more challenges than opportunities to Britain's pursuit of a stronger relationship with Asian partners.

Dr Oliver Turner of the University of Edinburgh's School of Social and Political Science, who led the study said: "The UK already occupies a relatively minor economic, political and security role in Asia. Significant cuts to the UK's foreign diplomatic and security services since 2010 have also effectively precluded a more meaningful presence in the region.

"The attractiveness the UK boasts in Asia stems from its traditionally perceived role as a globally interconnected, European player. Giving up EU membership would require Britain to convince its Asian partners of what alternative strengths it brings to the table, without having to offer too many expensive concessions. It isn't clear how that might be achieved."

For further information, please contact:

Andrew Moffat, Press and PR Office, Tel +44 131 650 9836, Email [andrew.moffat@ed.ac.uk](mailto:andrew.moffat@ed.ac.uk)