UK options in the South Atlantic

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BREXIT Mark I
UK: Exports of goods & services

% of total value

- Non-EU
- EU

Assuming a continuation of 2000-2015 trend

Source: Oxford Economics/Haver Analytics
Where we import from
The UK's top 20 trading partners for imports

- £32.1bn United States
- £27.6bn
- £24.8bn France
- £10.5bn Canada
- £6.7bn
- £18.2bn Irish Republic
- £10.4bn
- £12.5bn Spain
- £10.4bn
- £8.1bn Switzerland
- £4.8bn
- £5.3bn Denmark
- £1.9bn
- £16.8bn Norway
- £4.8bn
- £7.4bn Sweden
- £5.8bn
- £7.7bn Poland
- £3.2bn
- £7bn Russia
- £2.9bn
- £31.6bn China
- £15.7bn
- £74bn Japan
- £8.5bn
- £7bn Hong Kong
- £8.5bn

What we buy
The UK's top 20 import products for 2014 so far (in billions)

- £16.7bn Road vehicles
- £18.4bn Petroleum & products
- £9.9bn Manufactured products
- £9.6bn Electrical machinery & appliances
- £9.6bn Medicinal & pharmaceutical products
- £8.5bn Power generating machinery & equipment
- £7.9bn Apparel & clothing accessories
- £7.9bn Telecommunications & sound equipment
- £6.8bn Industrial machinery
- £6.3bn Office machines

Source: https://www.uktradeinfo.com/Statistics/Pages/Annual-Tables.aspx
### Top partners trading with the UK - July 2016

<table>
<thead>
<tr>
<th>Partner</th>
<th>Imports Value</th>
<th>Comparison to previous month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>£5.2bn</td>
<td>-8.2%</td>
</tr>
<tr>
<td>USA</td>
<td>£3.3bn</td>
<td>6.3%</td>
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<tr>
<td>China</td>
<td>£3.0bn</td>
<td>0.8%</td>
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<tr>
<td>Netherlands</td>
<td>£2.9bn</td>
<td>-4.5%</td>
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<tr>
<td>Switzerland</td>
<td>£2.7bn</td>
<td>2.7%</td>
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</tbody>
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<td>0.5%</td>
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<tr>
<td>China</td>
<td>£1.9bn</td>
<td>20.3%</td>
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<tr>
<td>France</td>
<td>£1.5bn</td>
<td>-8.5%</td>
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<tr>
<td>Ireland</td>
<td>£1.4bn</td>
<td>-1.5%</td>
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</tbody>
</table>
Context

• Three geopolitical perspectives on UK interests:
  • Falkland Islands
  • Antarctica
  • West Africa

• UK roles
Britain’s role in the world?

• Shaped by domestic identify and political pressures

• Range of identity and policy options

• Patterns = ‘role orientation’?
Why is this important?

Public Administration Select Committee (2011):

‘strategic aims cannot be set out or adjudicated without an articulated account of who ‘we’ are and what we believe both about ourselves and the world’
UK as an actor

- Expansionist
- Active independent
- Influential
- Mediator/integrator
- Opportunist
- Developmental
- Isolate
- Power
- Autonomy
- Influence in the intl system
- Solutions to problems
- Popular approval
- Development of the state
- Isolation
Gaskarth

• Role orientation: ‘represents the highest order of strategic thinking in foreign policy’

• UK role in the world set against economic constraints and rising powers
Roles for the UK in the South Atlantic

• Isolate
• Influential (rule of law state)
• Thought leader
• Regional partner
• Opportunist-interventionist
• Great Power
Opportunistic partner?
A broad wave of public discontent swept across Latin America in the year to mid-2016, bringing to power centre-right or right-leaning parties while their left-wing rivals fell into disarray. As a series of corruption scandals incensed voters and fuelled anti-establishment movements, civil society grew ever more cohesive. Yet the region’s economies were increasingly constrained by weak global growth, a decline in commodity prices and economic slowdown in China. There was an especially sharp drop in the price of the fuels, metals and food products on which Latin America relied. As a consequence, governments were forced to reduce spending and curtail ambitious projects. They did so while attempting to appeal to a middle class that had grown rapidly in the preceding decade, and that had come to believe the era of burgeoning wealth would last indefinitely.

CHANGING POLITICAL AND ECONOMIC CONDITIONS IN SELECT LATIN AMERICAN COUNTRIES

2014

- **Argentina**: GDP 4.4%
- **Brazil**: GDP 2.4%
- **Colombia**: GDP 3.1%
- **Peru**: GDP 5.7%
- **Venezuela**: GDP -3.9%

2015/2016

- **Argentina**: GDP 3.1%
- **Brazil**: GDP 1.2%
- **Colombia**: GDP 0.5%
- **Peru**: GDP 0.1%
- **Venezuela**: GDP -5.7%

**COMMODOITY PRICES**

- **Oil Price USD/barrel**
  - 2014: $115
  - 2015: $38.05

- **Soybeans**
  - 2014: $457.8
  - 2015: $347.4

- **Iron Ore**
  - 2014: $96.8
  - 2015: $55.2

- **Copper**
  - 2014: $6,863.4
  - 2015: $5,510.5

**PROJECTED GROWTH OUTLOOK: LATIN AMERICA, 2016**

  - Unemployment: 8.3% (2015)
  - Top Export Commodities: Iron ore, soya beans, crude petroleum, refined products of petroleum, coal, coffee, sugar, industrial raw materials, machinery, military goods, vehicles, vehicles parts, ships and parts, petroleum, refined products of petroleum, coal, coffee, sugar, industrial raw materials, machinery, military goods, vehicles, vehicles parts, ships and parts

- **Brazil**: Balance of Payments: USD -32.38bn (2015)
  - Unemployment: 8.5% (2015)
  - Top Export Commodities: Crude petroleum, refined products of petroleum, coal, coffee, sugar, industrial raw materials, machinery, military goods, vehicles, vehicles parts, ships and parts

  - Unemployment: 8.0% (2015)
  - Top Export Commodities: Crude petroleum, refined products of petroleum, coal, coffee, sugar, industrial raw materials, machinery, military goods, vehicles, vehicles parts, ships and parts

  - Unemployment: 7.5% (2015)
  - Top Export Commodities: Crude petroleum, refined products of petroleum, coal, coffee, sugar, industrial raw materials, machinery, military goods, vehicles, vehicles parts, ships and parts

  - Unemployment: 8.0% (2015)
  - Top Export Commodities: Crude petroleum, refined products of petroleum, coal, coffee, sugar, industrial raw materials, machinery, military goods, vehicles, vehicles parts, ships and parts

**CONSUMER PRICES INDICATOR (END OF PERIOD PERCENTAGE CHANGE)**

- **2014**
  - Argentina: 23.92%
  - Brazil: 6.41%
  - Peru: 1.22%
  - Venezuela: 68.54%

- **2015 (2016 forecast)**
  - Argentina: n.k. (24.95%)
  - Brazil: 10.67% (7.15%)
  - Peru: 4.23% (3.42%)
  - Venezuela: 180.87% (720.04%)

Note: 2015 estimates, and 2016/2017 projections.