

# How Britain trading overseas again could help boost the Economy

We hear so much about the recession and hardship. Not a day goes by without some scandal or sad story or further threat to the social well being and fabric of our once proud nation. And we constantly wonder when all this doom and gloom will end. Estimates, and no one really knows, are between 5 and 10 years. But what shall drive growth and how.

Most recession is just in our imagination. We are told by the media that there is a recession and so we become protective and stop spending quite so freely, ready for the rainy day, should it come. The truth is, if we did not do this then there would be no recession as it is the lack of spending that causes the problem in the first place. And by saying we stop spending; I do not just mean the person on the street, but businesses too. Any banker will tell you that most businesses have plenty of cash; they are just sitting on it, using it to see them through the down-turn, waiting for someone else to make the first move. So in this case the government could do much to stimulate growth, by positive encouragement of spending. That is if we look at just the "internal" economy.

But the economy is far more complex than that. We trade outside our walls. The economy is just like any bank account in its simplest form, monies in and monies out. In is what we earn, such as salary or sales and out is what we buy, simply put exports and imports. The UK became the great global economy because it traded globally and did it well. All companies did it, large and small. Since the 1980s we have transfixed ourselves on larger companies to do our trading, big is beautiful, and the smaller companies have typically fed off the internal economy. This has resulted in a global deficit of c £96.7bn per annum, and it is this that is The UK's true recession.

Only 20% of SMEs export, and most of those that do, only do so to Europe and The US, not our favoured partners of past, the Commonwealth, who are fast becoming the great powers of the future, because they export vastly more than they import. Companies that exported in the 2007 recession were 38% better off, that does not differentiate those trading to Asia visa vi EU and US who's economies are in the same state as ours. Germany has focused heavily on trade to ASEAN & BRICS states is growing at a comparative astronomic rate. The EU has recognised the shortcomings of the UK economy and has set us targets and offered funding to assist. One may question the way we are using that funding, but the point is made that it is imperative that the UK becomes the great trading nation it once was at all levels and size of business. Companies of all sizes and markets that do not have an eye on the global markets shall see their position threatened at some stage by foreign competition as they eye our markets. Ten years ago a run on the Greek banks would have had little impact outside Greece, today every economy and business the world over is impacted. The saddest point of all is that the businesses and people of the growing nations are screaming out for UK goods and services.

"Where are the Brits?"

To exit the recession, we must all go East to export and buy British.