



Keeping up appearances: What now for UK services trade?

by Sam Lowe, 22 February 2021

The UK is a services superpower. But its decision to leave the EU's single market jeopardises its position as a hub for multinational services firms to sell to clients across Europe. Policy-makers in London should take steps to ensure that the slow trickle of business moving to the EU does not become a flood, argues Sam Lowe in a new Centre for European Reform [policy brief](#).

The author examines the opportunities available to UK services providers and demonstrates that free trade agreements will only play a small part in the future international activity of British services firms. He recommends that the UK concentrate its efforts on investment, both outwards and inwards, and on shoring up its position as an attractive location for global services firms to base themselves.

In practice this involves the UK:

- ★ creating a stable policy environment, both unilaterally and via binding treaty commitments;
- ★ retaining access to a large pool of skilled workers via liberalisation of its immigration regime and the removal of visa application fees;
- ★ ensuring continued preferential access to the EU market, where possible;
- ★ trying to reduce the risk of restrictions on the cross-border flow of data; and
- ★ engaging in targeted regulatory diplomacy to unlock new opportunities for British companies abroad.

"Trade in services is not well understood by politicians. Rather than focusing on new trade deals and potential export opportunities – which are few and far between – the UK must focus on making itself as attractive as possible as a location for multinational services firms to invest and establish themselves. This means liberalising the immigration regime, doing what it can to keep data flowing across borders and, most importantly, saying goodbye to the regulatory instability of recent years" said Sam Lowe, author of the report and senior research fellow at the Centre for European Reform.

Note for editors:

For further information on the new research and to request an interview with Sam Lowe [@SamuelMarcLowe](#), please contact Rosie Giorgi in the CER press office on pressoffice@cer.eu or +44 (207) 233 1199.

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