

Brexit economic woes - We face as much risk as Britain

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THE reality of Britain's decision to leave the EU is becoming more stark by the day, with the Lloyds Banking Group yesterday announcing that it is cutting 3,000 jobs and shutting 200 branches in the UK, as it braces itself for a cut in interest rates.

The Bank of England is widely expected to cut interest rates from 0.5% to 0.25% next week. The fallout from the Brexit vote is intensifying.

That fallout is likely to affect Ireland as much as Britain. While the Central Bank says unemployment here will fall, despite Brexit, it warned yesterday that the UK's decision to leave the EU will inflict "a negative and material" blow to the Irish economy.

A survey by the Irish Exporters' Association has found that the weakened sterling exchange rate since last month's vote is already having an impact.

Their biggest concerns are the possible reintroduction of border-and-custom controls, the impact on Irish economic growth, costly dual regulation, and possible tariffs.

It is, therefore, essential that our Government does all it can to ensure that Britain is given favourable terms when it finally leaves.

Given that it is overwhelmingly in the economic interests of other countries to work out a free-trade deal with the UK, it should not be too difficult to persuade our EU partners that a friendly withdrawal is essential.