

The one certainty: a 'Leave' win would hurt our economy

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You'd be hard pressed to find an economist who thinks a so-called Brexit would be good for Ireland.

The business community fears that a vote to pull out, if it comes on Thursday, would damage the Irish economy and potentially affect the €1.2bn weekly trade link with our nearest neighbour.

The Economic and Social Research Institute (ESRI) has already warned there's a potential for trade to slump by up to a fifth, arguing that a British withdrawal would be particularly damaging for sectors that export disproportionately to the UK, such as food and beverages.

And as Ireland is heavily dependent on UK imports, any potential trade barriers could result in higher prices here, the think tank warned.

Ibec and the Irish Exporters Association have warned about the effects on sterling. A British exit could see the value of the pound plummet, making it more expensive for Irish exporters to sell their goods into the UK market, damaging their competitiveness.

The effect on currency has already been felt. At the end of November, €1 was worth around 69 pence. By early April, €1 was worth around 80 pence, although it's pulled back to around 76 pence in recent days as momentum seems to have gathered for the Remain camp.

The Government believes Irish GDP could be hit by up to 1.2pc over a two-year period in the event of a Brexit. That could worsen by a further 0.4pc if our trading partners in Europe are affected, it says. Financial markets are also expected to suffer turmoil, and Ireland won't be immune from that. Our borrowing costs have been inching up recently as investors have grown increasingly jittery. There has also been speculation in the UK that a Brexit could plunge Britain into a recession, which would have a knock-on effect here.

And then there's the impact on Northern Ireland, arguably the UK region most economically vulnerable to a British withdrawal. The ESRI warned the north could be particularly badly affected given its large farming community.

There's been much talk about the uncertainty surrounding the referendum. But economists are certain a Brexit would be bad news for Ireland.

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