

Former UK chancellor Ken Clarke in Brexit warning for Ireland

Thursday, March 10, 2016

By Peter O'Dwyer

A former British chancellor of the exchequer has warned that there would be huge economic consequences for Ireland if Britain leaves the EU, adding that uncertainty has already begun to hinder the UK economy.



Ken Clarke, a prominent pro-EU Conservative Party member who held senior ministries in various Tory governments, said 'Brexit' is fraught with huge uncertainty and warned its impact on trade between Ireland and Britain is unknown.

A vote to leave the EU could also pose significant political problems and risk undoing some of the progress made between the two countries, he added.

"It has huge implications for Ireland. Unfortunately, very few people in the UK at the moment have really given thought to the effect on the now excellent relationships between the republic and the United Kingdom - the best there has been since the republic was founded - and what the effect will be on the Northern Ireland settlement and most importantly what the effect would be on continued trade and investment in an economic context between our two countries because our two economies are just completely and utterly intertwined."

Mr Clarke cast doubt on the coherence of the various groups campaigning for Britain to leave the EU on June 23 and claimed some of their plans had not been fully worked out as of yet.

He also claimed a new trade deal between Ireland and Britain could be harder to strike than some Brexit supporters believe, adding “the eurosceptic reaction to every point is that it will be alright, we’ll get there, anything that’s desirable about our present arrangements will be completely unchanged”.

Significant investment into the UK has already stalled as a result of uncertainty surrounding Britain’s EU membership, Mr Clarke said.

Irish Exporters Association chief executive Simon McKeever said Irish companies have felt the brunt of uncertainty too with a sterling sell-off having driven up the cost of Irish exports by 10.5% since November.

Mr Clarke also defended Bank of England governor Mark Carney’s appearance in front of the House of Commons Treasury Committee on Tuesday, describing it as “very reassuring” and adding that it was important the bank’s contingency plans were outlined.

Mr Clarke was speaking at a Brexit debate hosted by AIB at which London mayor Boris Johnson’s chief adviser, Gerard Lyons, argued in favour of Britain leaving the EU.

Mr Lyons argued that the EU has failed to address issues around unemployment and migration and has not embraced reform.

He added that the euro is a fundamentally flawed economic concept being held together by political concerns.