

Brexit will cause huge problems for Ireland warns former British chancellor

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Former British chancellor of the exchequer Ken Clarke

Former chancellor of the exchequer Kenneth Clarke has said Brexit could pose enormous problems for Ireland.

The pro-European Tory joined business leaders in Dublin, warning that British withdrawal from the EU would represent a huge risk to the Republic.

The cost of buying Irish goods in Britain has already started to rise because of currency changes.

Mr Clarke said: "The risk of a possible Brexit could pose enormous problems for the UK. I think it would pose enormous problems for the Republic of Ireland as well, and so far most electors in Britain have not been made aware of that."

One of Ireland's main banks reiterated its concerns.

Allied Irish Bank chairman Richard Pym, who hosted the debate, said: "Brexit represents a huge risk for Ireland."

Dr Gerard Lyons, chief adviser to London Mayor Boris Johnson, said the EU had not embraced reform and did not address problems such as youth unemployment or migration.

"At its core, the euro is a fundamentally flawed economic idea, held together for now because it is a political project," he said.

"The UK faces a choice between remaining in an unreformed, inward-looking and insular EU or seizing the opportunity to embrace Brexit, restore its sovereignty and take a global approach.

"Brexit is unequivocally better for the UK economy than the alternative of remaining in an unreformed EU."

Simon McKeever, chief executive of the Irish Exporters Association, said uncertainty ahead of the UK referendum has caused a sell-off in sterling, resulting in exports being 10.5 per cent more expensive in the UK than they were only last November.

"Should the UK vote to leave the EU and subsequently fail to secure equally favourable trade terms with it, the knock-on effect on Ireland could be quite damaging in the medium term.

"Any re-imposition of tariffs between the EU and UK could affect our cost-competitiveness, as one third of our imports come from the UK.

"With over 70 per cent of our exports concentrated in three core markets, notably the EU, UK and US, the potential risks associated with a Brexit make it imperative that we as a nation take further steps to diversify our export markets and in particular to increase our focus on high growth and further away markets."