

Brexit would hit Ireland almost as hard as UK - research

ING has found that Britain leaving the EU could knock 1.1 percentage points off Irish GDP

Fri, Mar 25, 2016

[Pamela Newenham](#)



Photograph: PA Wire

An exit of Britain from the European Union would have almost as bad an economic impact on Ireland as it would on the UK, according to Dutch bank ING.

ING said Ireland would suffer an economic loss in the event of a Brexit, estimating that it could cost the economy an amount equal to knocking 1.1 percentage points off GDP growth before the end of 2017. It estimates that it could cost the UK economy 1.2 percentage points over the same period.

Economists at ING said Malta, the Netherlands, Belgium and Luxembourg would also experience a substantial hit if a Brexit happened, suffering GDP losses of between 0.7 and 1 percentage

points. Germany, the euro zone's largest economy, is forecast to experience a GDP loss of half a point.

"If the UK were to vote in favour of Brexit, further turmoil seems guaranteed with significant negative effects on the British economy ... From our baseline forecast we estimate that the initial hit to euro zone GDP could be a cumulative 0.3 per cent by end-2017", ING said.

Fianna Fáil

Separately, Fianna Fáil jobs and enterprise spokesperson [Dara Calleary](#) said on Friday that the possibility of a Brexit represents one of the biggest threats to Irish exports and SME jobs. He pointed out that Brexit could lead to a significant weakening of sterling against the euro.

"The euro's recent rise of over 10 per cent against sterling is reflective of this uncertainty. This will damage the competitiveness of our exports to the UK and the relative attractiveness of our goods in markets in which we compete with UK firms.

"Irish exporters are heavily dependent on the UK market, with almost half of all Irish exports to the UK coming from indigenous Irish companies. A Brexit would present a direct threat to continued jobs in this vitally important sector," he said.

"In a worst case scenario, a British exit from the EU could lead to the introduction of tariffs on trade activity with European states," he added.

Border

He said the possibility of new border controls between North and South raises an array of concerns as it would have implications for trade and tourism.

"The Irish Government must ensure that steps are taken to safeguard the integrity of the single market and maintain a strong trade link between Ireland and the UK".

The Economic and Social Research Institute (ESRI) has estimated that bilateral trade flows between the UK and Ireland could fall by as much as 20 per cent in the event of Brexit.