



The Centre for
Cross Border Studies

MEDIA WATCH

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Brexit 'would cause decade of uncertainty' – Whitehall

Leaving the European Union would prompt "up to a decade or more of uncertainty" for Britain, Whitehall officials have concluded in the Government's first official analysis.

The paper - seen by The Guardian - warns that the "complex" process of agreeing terms of withdrawal and setting up trade deals and other new arrangements would hit financial markets, the pound and the right of two million expats, the newspaper said.

Its release will further fuel accusations by pro-Brexit campaigners that David Cameron and allies are resorting to "fear" tactics to secure a "remain" vote in June's referendum.

London mayor Boris Johnson accused them of making "a series of questionable assertions" about the impact on the economy and security.

It comes with pressure mounting on the head of the civil service to answer concerns over a ban on ministers who have broken ranks to push for a divorce from Brussels being shown some official papers.

Cabinet Secretary Sir Jeremy Heywood will be grilled by MPs on Tuesday about the edict and ministers were braced for a possible urgent question in the Commons.

Work and Pensions Secretary Iain Duncan Smith, one of five Cabinet ministers backing "leave", said he and Eurosceptic colleagues "must have the right to continue to look" at material as he was "constitutionally" in charge of his department.

Downing Street insisted the restrictions applied only to areas directly related to the referendum and had been unanimously approved by the whole Cabinet as part of an agreement allowing them to remain in the Government while opposing its official policy.

The Government's analysis, drawn up by Cabinet Office officials, was reported to conclude it was unlikely the terms of withdrawal could be fully negotiated within the formal two-year process, opening the door to other EU states demanding concessions in return for an extension.

Work on new trade deals with some of the 50-plus countries that have arrangements with the EU would be "constrained" while the process went on, it was reported to say.

Among issues to be resolved would be health insurance, **cross-border** security, fishing rights and access to the agency that monitors the safety of medicines.

Cabinet Office minister Matt Hancock said: "This government analysis shows that leaving the EU would lead to a decade of damaging uncertainty. The risks to our economy are clear and would leave the jobs and prosperity of the British people dangerously exposed."

Mr Johnson, writing in his Daily Telegraph column, said: "It is now obvious that the Remain campaign is intended to provoke only one emotion in the breast of the British public and that is fear."

They hoped, he wrote, that voters would "continue to sit trapped like passengers in the back seat of some errant minicab with a driver who cannot speak English and who is taking us remorselessly and expensively in the wrong direction".

He accused Chancellor George Osborne and the Treasury of "talking up" threats to the economy by persuading G20 finance ministers to include a dramatic warning that Brexit would cause a "shock" to the global economy in a post-summit communique.

"Surely the first time any country has used an international forum actively to talk up threats to its own economic prospects," he wrote.

A British official said concerns had been raised well in advance of the summit by the US and China among others and dismissed the idea such countries could be told what to say as "ridiculous".

Conservative divisions on the issue were starkly illustrated at the weekend when Mr Duncan Smith accused Mr Cameron of showing "a low opinion of the British people" by downplaying the UK's prospects outside the EU.

He insisted a favourable trade deal with the rest of the EU was "very do-able".

But Mr Cameron, who is embarking on the latest leg of a tour of question sessions around the UK, renewed his charge that opponents of continued membership were offering only "vague" ideas of how Britain would prosper outside the EU.

Writing in the first edition of the New Day newspaper, he said: "They tell you the grass would be greener - but they can't or won't say how.

"All that arises from their case is a string of unanswered questions. The only certainty is that their plan to take us out of Europe could lead to a decade or more of uncertainty.

"The choice is clear: between a greater Britain and the great unknown. I hope readers will choose certainty and prosperity over speculation and risk. Then we can carry on making this great country greater still."

Mr Hancock said the country faces massive uncertainty if Britain votes leave in the referendum.

He denied accusations the Government is stoking fear about the country's future outside the EU, and told BBC Radio 4's Today programme the analysis "is a cautious assessment".

Pressed on what would happen in the event of a leave vote, he said: "The truth is we don't know. Those who are proposing to leave, I think it's incumbent on them to have to explain exactly what would happen.

"What would happen to the two million Brits who live in other places in the European Union, would they still have access to free healthcare?"

He dismissed claims that nothing would immediately change if Britain voted to leave and as the Government embarked on a two-year process of renegotiating its relationship with the EU.

"It will take two years in which we go through the first part of this, which is renegotiating our relationship with EU countries," Mr Hancock said.

"During that period there are businesses around Britain who say there will be risks to jobs and investment because they don't know what the future relationship will be.

"There are real consequences of this for jobs and for livelihoods. I must say this isn't only my view, it is also the view of some of the leave campaigners who have said there will be, in their words, 'pain and problems and risk and cost and uncertainty'."

The minister said withdrawal from the EU would create an atmosphere of uncertainty for businesses, throwing investment into doubt.

He said: "There are hundreds of companies who employ millions of people who have expressed concerns that these jobs and investment is at risk."

But Eurosceptic Chris Grayling rubbished claims it would take a decade for Britain to extricate itself from the EU.

He told the Today programme: "Why on earth would we think it would take quite as long as the Second World War to be able to sort out our trading relationships with Europe and elsewhere?"

"What possible evidence is there that it would take 10 years to sort out our trading arrangements?"

"If you look at our relations with the European Union, we have a £50 billion-plus trade deficit with the European Union - we buy much more from them than they buy from us.

"The jobs at risk if we do not rapidly move to a new trading arrangement are in Bavaria and France and in Italy and in Spain.

"Nobody seriously thinks that the French government is going to turn around to its farmers, who sell plenty of produce to us at the moment, and say 'Guys, we are not going to be able to sell that anymore because we haven't reached a new trade deal.'

"They would be out on the French motorways blockading and burning hay bales."

He said the process of negotiation to broker Britain's new relationship with the EU would be "relatively quick because it is in their financial interests to do that".

The Leader of the Commons said: "It would be quick enough to ensure there isn't a hiatus in trading because they lose financially if there is.

"They sell far more to us than we sell to them, they lose out - their jobs, their businesses are in danger if we do not sort it out quickly."

The chairman of the Labour In campaign, Alan Johnson, said: "This report raises important questions on how Britain will disentangle itself from 40 years of co-operation with our closest allies, neighbours and biggest trading partner.

"The case put by those looking to wrench Britain out of Europe looks flimsier by the day. The Leave campaign need to answer the tough questions on trade deals, rights for British citizens living and working in Europe, and access to the single market."

Source: Belfast Telegraph

1 March 2016

Travel link would stay if UK left the EU - Villiers

THE common travel area between Ireland and the UK can continue even if the latter votes to pull out of the EU, the Secretary of State for Northern Ireland has told the Irish Independent.

Theresa Villiers (pictured), who is part of the 'out' campaign, said the close relationship between the UK and Ireland is not dependent on EU membership, and it would be in the interests of both governments to ensure the common travel arrangement between the two states continued in the event of a so-called 'Brexit'.

It was a view shared by London Lord Mayor Boris Johnson, who said the common travel area predates EU membership.

Irish fears regarding a possible British exit centre around the potential economic consequences of the move, as well as uncertainty about what it would mean for the relationship between the **North and South**.

"Since the creation of the Irish State, there has been a very close relationship between UK citizens and Irish citizens and I am convinced that that will continue," Ms Villiers said. "After all, the common travel area we enjoy between our two countries was in existence for decades before we joined the EU...there's no reason why it shouldn't continue [if a Brexit occurs]."

Mr Johnson, whose backing for the 'leave' campaign was seen as a blow to British PM David Cameron, said the links between Ireland and Britain will remain strong no matter what happens: "The free travel area is about 100 years old. There will always be huge links between the UK and the Republic...It's just a chance for the UK... to get rid of so much of the bureaucracy and the legislation we've abandoned any attempt to control," he said.

Source: Belfast Telegraph

Brexit: Leave the EU and firms could quit Northern Ireland for the Republic

Some of the world's biggest companies could leave Northern Ireland if the UK votes to leave the EU, experts here have warned.

There are serious concerns that major international companies - who have been attracted here by millions in EU funding - could be poached by the Republic in the event the UK votes to leave on June 23.

That could mean hundreds of jobs being lost across the border in the event of a Brexit.

Bro McFerran, former managing director of insurance giant Allstate, said there was "very definitely" a risk of firms withdrawing.

"They see it (Northern Ireland) as a gateway to Europe, we are on Europe's doorstep. I think if someone is taking a decision, some may think it's better to go elsewhere."

And he dismissed the anti-EU campaign as "nonsense".

"I'm very much pro-EU for a lot of reasons. Not only do we have the EU investment, but university research will go by-the-by without the EU," he said.

"I think when you take the whole thing, Northern Ireland is far better off in Europe."

He said technology firms had benefited from financial assistance, and Northern Ireland's agri-business and food sector was also better off staying in the EU.

Mr McFerran said firms such as Allstate and manufacturing giant Caterpillar had been attracted to Northern Ireland because of its EU membership.

"It (Caterpillar) wouldn't be investing in Larne if they weren't in the single market," he said.

"A lot of people haven't thought this through. The argument we are going to be better off out, doesn't wash," he added.

No-one from Caterpillar was available for comment on its take on EU membership.

John-George Willis, head of the corporate department at law firm Tughans, agreed there was a risk of investment going elsewhere.

"Those inward investment agencies and others in Europe in particular will be interested in luring a number of businesses across the border," he said.

"I've no doubt that a number of the foreign direct investments (FDI) into Northern Ireland are going to be vulnerable from the IDA. And on the basis they wouldn't have to move too far to remain in the EU."

And Aine Brolly, NI chief executive of recruitment firm Cpl, said there was "palpable concern over **North-South** business relations". As a firm with headquarters in Dublin and offices in Northern Ireland, she said Cpl was "definitely" concerned.

"Indigenous companies here have bought into wanting to be here and have commitment," she said.

"With FDI companies, there's not the same commitment. When it suits them they will stay (in Northern Ireland), when it doesn't, they could leave."

Invest NI told the Belfast Telegraph: "investment decisions by foreign direct investors in discussions with Invest NI have not been delayed by the EU question".

And a spokeswoman said: "There has been no impact on Invest NI's pipeline of investment discussions in the last few months." It said it's also "not in a position to comment on Brexit at this point".

Between 2007 and 2013, Northern Ireland received almost (EURO)700m (£550m) in various funding streams, including through Interreg Iva and the Northern Ireland European Social Fund Programme.

That doesn't include more than (EURO)2bn (£1.6bn) in farm payments.

And several Invest NI schemes are part-funded by the European Regional Development Fund.

That includes assistance for small firms, along with research and development cash.

But yesterday, during a trip to Northern Ireland, Mayor of London Boris Johnson dismissed fears Northern Ireland would be hit hardest if there was to be a Brexit.

Source: Belfast Telegraph