

Business and Brexit

At last the message is getting across that not all businesses are in favour of remaining in the EU. Some 250 business leaders have been listed on Vote Leave's website stating that they support withdrawal, including former HSBC chief executive Michael Geoghegan, the founder of Phones 4u John Caudwell and the hotelier Sir Rocco Forte.

Also brought to our attention recently was an excellent article by Michael Petley, chief investment officer at ECU group (*And no relation to your author as far as I am aware!*) who discusses the risks of remaining in the EU with the threat of eurozone disintegration at some point in the future. The article points to the unhappy relationship between the UK and the EU:- "Could we rub along together a bit longer in this unhappy marriage? Yes, of course. Is the marriage likely to last? Absolutely not. Is one better off agreeing a divorce under "good leaver" terms in an amicable way? Absolutely. We can either embrace the changes now, when we have some significant influence and control over events, or face the consequences of a messy divorce later."

The article is positive in tone and very welcome amid all the scare stories about the financial disaster which would allegedly result from leaving. However, an extremely optimistic claim by financiers New World Wealth, reported in City AM, that everyone in the UK would be £21,000 better off by 2020 if we left, needs to be treated with considerable caution. The Express repeats the claims, which include the usual comments about "red tape" which, as has often been pointed out here, may well include regulations emanating from global standards-setting bodies which would still apply if we left.

Flexcit (AKA the Market Solution") suggests that the initial period of withdrawal would be "economically neutral" and with

good reason – it will take some time before the UK government could begin a strategic review of all legislation which EU membership has bequeathed to us. India didn't begin a similar process until 1955, eight years after independence.

In summary, it is encouraging that business voices are speaking up for the benefits of withdrawal. Mood music can make some difference to the campaign, but unrealistic optimism and inadequate knowledge about the mechanics of exit are another matter. Rest assured, our opponents will be poking holes in any weak points in the Leave side's arguments. We cannot afford to give them any more opportunities to do this. Naive predictions of instant prosperity on withdrawal are best noted and then ignored.