



Business and the euro Free 281224

Desc



Business and the euro

Head-to-head: Business and the euro

The Treasury is expected to deliver its assessment of the five economic tests for euro entry any minute

now.

The Treasury is expected to deliver its assessment of the five economic tests for euro entry any minute now.

No-one expects the result to be anything other than “no”.

This is good news for British business.

By keeping the pound and keeping control of our interest rates, business has benefited from a stable economy with low inflation, steady growth and falling unemployment.

Giving up this control and locking in permanently to the one size fits all interest rate in the eurozone, which would not always be right for Britain and would take business straight back to boom and bust.

There has been speculation recently that the government could admit that the tests have not been met now, but attempt to look at the issue again in as little as a year’s time.

This makes no sense.

Planning ahead

The Treasury has been examining the euro issue for the past five years and it could not credibly claim that the economics are wrong now but yet right in just a year’s time.

Speaking as a businessman, what I want more than anything else is certainty and a clear decision from the government to rule out euro entry for the Parliament would enable me and the rest of British business to plan ahead with more confidence.

The last thing business wants is continued speculation and the risk that Tony Blair could leap to a referendum opportunistically at any moment.

Digby Jones of the CBI has said recently that the last thing business needs is “an annual assessment”.

It is widely accepted that the economic conditions are not right to join now, especially with the eurozone economy in crisis as it is now.

The government should accept and rule out any attempt to bounce Britain into the euro before the next election.

Want to earn £20 an hour call 020 8269 4500 24 Hour Line Option 2
Sureserve Compliance South (Formerly K&T Heating)

I don’t think we are going to see an immediate pull out of investment if the decision is taken to delay euro entry.

But I do think it will be seriously bad news for an important part of the country’s economy – internationally active manufacturing companies.

A lot of companies located in the UK in the 1980s and 90s because they were keen to have a

European base.

The unspoken assumption was that the UK would join the single currency.

The international manufacturing and export community might only be about 20% of the economy, but it is vitally important for earning foreign currency.

To delay a decision on the euro or say that it might not happen at all means investment will start to go elsewhere.

We may be a minority group, but manufacturers are crucial for a balanced UK economy.

Serious damage

Britain has been doing well recently because it has been going through a consumer-driven boom.

It has nothing to do with being in the euro or out of the euro, as the anti-euro campaigners claim.

Equally, the argument that a “one-size-fits all” interest rate can never work simply does not hold water.

We already have a “one-size-fits-all” interest rate.

There are huge differences between local economies in different parts of the UK, but no one is suggesting they adopt different currencies.

The anti-euro campaign also likes to claim joining the euro will mean more legislation from Brussels.

But the UK will continue to be a member of the European Union.

So it will still be saddled with any new regulations, but will enjoy none of the benefits of having the same currency as all other competitors in our chosen home market – the European Union.

If the UK government says we are not going into the euro for a long time it will cause serious damage to the manufacturing base.

The only thing that would be worse than delay would be a decision not to go in at all.

Hotel Booking

[Home Page](#) [Banzai Japan](#)

Category

1. All
2. News
3. Business
4. UK

Tags

1. economy
2. CBI
3. News
4. Government
5. UK Government
6. Wetherspoons
7. King
8. European
9. Companies
10. EU
11. Business
12. UK

Date Created

12/05/2003

Author

admin

default watermark