

# Majorca Daily Bulletin

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## NIESR sees 20 percent slide in sterling if Britain leaves EU

London.—Britain's currency is likely to lose a fifth of its value if the country votes to leave the European Union on June 23, triggering intense inflation pressure and slower economic growth, a leading think-tank said yesterday. The report by the National Institute of Economic and Social Research adds to a string of warnings from Britain's finance ministry and international bodies about the costs for Britain of leaving the EU.

But unlike other forecasters, NIESR explicitly predicted a big fall in sterling and a knock-on jump in inflation which

would hurt the spending power of workers.

Inflation in 2017 could be as much as 3.8 percentage points higher than it would be if Britain stayed in the EU, while the economy would be 1 percent smaller in 2017 and 2.3 percent smaller by 2018 than otherwise.

"Heightened risk and uncertainty will cause sterling to depreciate by around 20 percent immediately following the referendum, which will result in an intense bout of inflationary pressure," the academic body said.

# Home sales in the Balearics rocket by 25 percent

● Local housing market continues to recover with record sales in March.

● 972 transactions took place, according to official figures. See Page Three.



Khan would be welcome in Trump's USA. See Report Inside



## Rajoy: now is not the time for amateurs

**W**ITH the next general election under seven weeks away, Prime Minister Rajoy said in Pamplona yesterday that Spain needs a "serious government with clear ideas" and that "now is not the time for amateurs who come into government to learn."

Rajoy was speaking during a presentation at which an election pact with the conservative regional party, the Unión del Pueblo Navarro, was confirmed. He outlined what would be priorities for the Partido Popular in government, namely economic growth and job creation. "There are still too many people without work," he observed. The acting premier pointed to the forecast of 2.7% growth this year, noting that this is well above Germany's forecast and the average for the European Union.



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