

Vince Cable: May must listen to Hammond's Brexit warnings instead of locking him in a cupboard again

Chancellor Philip Hammond has called for a transitional deal on Brexit to protect the economy at a speech at Mansion House, while Bank of England Governor Mark Carney has admitted that Brexit will make us all poorer.

It comes as the government is under pressure from the Liberal Democrats and business community to soften its stance on Brexit, including by protecting Britain's membership of the single market and customs union.

The Society of Motor Manufacturers and Traders today warned that a hard Brexit reverting to WTO rules would permanently damage the UK car industry.

It follows similar recent warnings from the EEF, which represents UK manufacturers, and the Chemical Industries Association.

Liberal Democrat Shadow Chancellor Vince Cable said:

"Theresa May must listen to Philip Hammond's warnings instead of locking him in the cupboard with his spreadsheets again.

"Three major industrial bodies are all now warning of the consequences of disrupting our trading arrangements with the EU by leaving the single market and customs union.

"The economic risk of an extreme Brexit is very real and its consequences would be felt by us all, from higher prices to less funding for our NHS and schools.

"Even the Bank of England has admitted that it cannot prevent Brexit from making us all poorer.

"The best way to protect the pound, lift people's incomes and secure funding for our public services is to stay in the single market and customs union.

"The Liberal Democrats will work with other parties to protect our economy from a damaging Brexit and fight for the best possible deal."