

# FINANCIAL NEWS

## Former WTO chief: Brexit might not happen

By  
[Mark Cobley and Andrew Pearce in Liverpool](#)

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**There is a very small chance that the UK's exit from the European Union will never happen, according to the former director-general of the World Trade Organisation.**



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Pascal Lamy

Pascal Lamy, who led the WTO until September 2013, has been outspoken on Brexit in the past, warning in July that EU authorities will not give passporting rights to City banks, and saying Brexit would be a "long, bumpy ride".

On the opening day of the Pensions and Lifetime Savings Associations' conference in Liverpool on October 19, he told delegates that "the probability of Brexit not happening is not zero".

He said: "Why? Because of complexity. Because of the Everest of problems to solve. It may not be possible because of sheer complexity.

"You should have a look at the list of questions and problems that the Japanese government gave to the UK Prime Minister at the G20 summit in China. It was 15 tough questions, asked in typical Japanese fashion, that a Japanese investor would want to know the answers to before making up his mind [on a UK investment] in the next few years."

He went on: "The other reason it might not happen is the final impact on the UK economy. I have seen no serious study that says that this [Brexit] will be good for the UK economy 10 years from now. But we don't know whether it will be a high bill or a medium-to-low bill."

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Lamy pointed out that the cost of Brexit would have an impact on both the UK and the EU. "If the costs of this appear at some stage to not be in the favour of some of those who voted to leave the EU, perhaps they will change their minds."

He made clear that "if I had to bet, I would not bet on this" and said "my frank answer would be that I think Brexit is likely to happen, not least because the people have spoken. But I am not sure about it."

He raised the prospect that Article 50 – the formal notification of intention to withdraw from the EU, which Prime Minister Theresa May has said she will invoke by March 2017 – might not be irreversible.

He said: "I interpret Article 50 as the start of a process according to which both parties agree to the terms of the divorce. If one party doesn't want to divorce then there is no case for agreement. If the intention disappears I think the Article 50 process disappears."

And Lamy also revealed he had turned down a request from the UK government to help it work on a post-Brexit trade deal with the EU.

He said: "I have not accepted, although that was a nice and friendly proposition to advise the UK government on how to handle Brexit, notably on the trade side.

"I could [give] a lot of technical [advice] on this but what detail minds the UK politicians is not economics, it is politics."

He said the world had changed: "For most of my professional life we lived in a world where economic rationales would usually trump politics. But this has changed and now politics trumps economics.

"I don't like it, but it is interesting. But for people like you [those running businesses and pension schemes] it creates a lot of uncertainty. Good luck, because you will need a lot of brain juice."

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