

# Pensions&Investments

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## Former WTO chief outlines best-case/worst-case scenarios for U.K. post-Brexit

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Pascal Lamy, former director-general of World Trade Organization, speaking at Pensions and Lifetime Savings Association's conference on Wednesday in Liverpool, England, said the best post-Brexit deal for the U.K. would be to stay in the WTO framework on the same terms as other European Union member states.

However, Mr. Lamy said in reality it is not a simple goal to accomplish.

"The WTO members will have to recognize the U.K. as a full member, and each of them has to agree that the terms of U.K. membership remain the same," he said.

Currently, each European Union member state as part of the WTO framework maintains a level of protective tariffs on trade with countries outside the EU, known as third countries; Britain would have

to negotiate as a third country in the event of a complete pullout from the EU, Mr. Lamy said.

If Article 50 is triggered at the end of March 2017, as announced by the British Prime Minister Theresa May earlier this month, then Britain would exit the European Union by March 2019.

Mr. Lamy added that a U.K. exit from the European Union might not materialize at all in this time frame, as "there is a zero chance that all of the trade issues will be worked out in time."

He pointed out that the problem for EU member states is not Brexit as an event but a growing opposition to the EU known as euroscepticism and the domino effect it could trigger in Germany or France, where elections are coming up.

"I think that the time has changed and political rationale trumps the economic one," Mr. Lamy said.

"The rationale for the U.K. exit was political not economic so analyzing what the quotas will look like on individual industries is not (all that informative)," Mr. Lamy said. He added the consequences of exiting the single market on the U.K. economy won't be seen for at least 10 years.

However, he said he hasn't seen one serious study showing any overall positive effect of Brexit on the U.K. economy.

**Original Story Link:** <http://www.pionline.com/article/20161019/ONLINE/161019837/former-wto-chief-outlines-best-caseworst-case-scenarios-for-uk-post-brexit>

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