

# IMF (Again) Makes a Fool of Itself Over Brexit

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Region: [Europe](#)

Theme: [Global Economy](#)

*Joining that merry band of doom mongers (HM Treasury, the Bank of England and Chancellor Hammond) the IMF's Christine Lagarde has again warned of "substantial costs" of a no deal Brexit. In fact of course there is no such thing as "no deal" – we simply go to the World Trade organisation deal, like most of the world's nations – saving on the way big duties on imports from the rest of the world on cars, food and clothing and saving 40 billion Euros in contributions to the EU budget! The "substantial costs" are in having a deal!*

George Osborne-sponsored IMF Head Lagarde (who was found guilty by a French Court of negligence for failing to challenge a Euro 400m payout to a friend of French President Nicolas Sarkozy) has continued that organisation's negligence and incompetence.

It was in April 2013 that the IMF's Chief Economist attacked the UK's deficit reduction programme and warned of "playing with fire". The following year the UK's growth rate was 2.9% and that economist had to apologise.

Lagarde said that leaving the EU would be a blow to the UK economy because "Countries trade mainly with their neighbours". But the USA, thousands of miles away, is the UK's biggest export market! The UK has a consistent trade surplus with the USA and a consistent large deficit with the EU.

Lagarde further claimed that the UK was suffering from a lack of capital investment because of the threat of Brexit. But the overall picture is the opposite. There has been since January 2016 a 6% increase in UK Gross Fixed Capital Formation – from £81bn to £86bn.

When the IMF made a fool of itself in 2013-14 the UK was still showing far healthier growth than the stagnant EU. Today Lagarde says we are in trouble – after 20 years (since the Euro was launched) of greatly outperforming the EU. That is why we have nearly 3 million EU "citizens" working in the UK.

Even today the IMF has just increased its growth forecast for the UK from 1.4 to 1.5% and while we have just posted a 0.6% growth in the quarter to July the Eurozone growth rate was 0.3% which was the slowest growth rate since 2016 (when we voted to leave!) and the IMF says:

"Forecasts for 2018 growth have been revised down for Germany and France after activity softened more than expected in the first quarter, and in Italy"

Corporatist Forecaster Elites

Once again a large State corporatist institution has made a fool of itself in its analysis and

forecasting. It is a catching disease, but inevitable from those who have comfortable careers and salaries – whether they are proved right or wrong.

Outside in the real world the rest of us, acting in democratic markets and responsible to our fellow citizens, have to absorb the cost of their failures and get on with life. When we rise up and tell them that staying in the EU would be a disaster the supranational elitists can't believe it – no wonder. While mass unemployment and social collapse have characterised the EU for 20 years the scribblers have sailed on regardless in their unearned luxury!

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