

The man who knows what Johnson REALLY thinks of firms and the City (and has his eye on Bank of England's top job) reveals...

Interview



By William Turvill

GERARD Lyons is unequivocal: 'I found that in terms of the economy and finance, he took it incredibly seriously. We would sit down in formal meetings, he would get out his notepad and write things down, ask questions and very much try to understand the issue before he took a decision based on it...'

'I found he did detail very well.' Believe it or not, Lyons, a veteran City economist who is being tipped as a dark horse in the race to become the next Governor of the Bank of England, is talking about Boris Johnson - the man who this time last year infamously uttered the words 'f*** business' when challenged on company bosses' concerns about Brexit.

The comment - compounded by Johnson's leadership rival Jeremy Hunt, who criticised businesses for making 'threats' about the consequences of a No Deal - caused outrage in the corporate world, leading



VETERAN: Gerard Lyons was chief economic adviser to Johnson when he was London Mayor

PICTURE: PHILIP IDE

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some to suggest that relations between business and the Tories had hit their lowest point in decades. But Lyons, who was chief economic adviser to Johnson when he was Mayor of London, has some words of reassurance for firms with concerns about the man who now seems destined to become our next Prime Minister.

'I would say that at City Hall he took a very pro-business approach - sticking up for banks and the City in the years when no one else would dare,' says Lyons, who like Johnson is a Brexiteer.

'I thought Boris Johnson was a very effective Mayor of London,' he adds. 'And I think he achieved much success - and success in areas that are very relevant and important now in the national debate.'

'In particular, I would say, this included promoting a positive, global vision. That was then very important for London and now is vitally important for the UK. But

also at the same time, at City Hall, he took very effective measures in areas such as housing and transport. And indeed in promoting business generally. I think there were some very positive lessons from that period that would be relevant if indeed he were to become Prime Minister in the future.'

Lyons stopped working as a formal adviser to Johnson at the end of his Mayoral term in 2016, but the pair remain in touch. 'The great thing about Boris is he reads a phenomenal amount,' says Lyons. 'And he will bombard you with questions after he's read something. If he reads a book on the economy, then he'll have a list of questions and he'll ask for your comments.'

Lyons isn't willing to say he wants, or expects, Johnson to be the UK's next Prime Minister. But, speaking just hours before Michael Gove is eliminated from the leadership race - leaving Johnson to battle it out with Hunt, who supported

Remain in the run-up to the referendum but accepted the result - Lyons does suggest a pro-Brexit Prime Minister would be preferable for Britain. He also submits that a Leave-supporting PM might want to promote a like-minded Brexiteer to replace Philip Hammond as Chancellor.

'I would argue that a pro-Brexit agenda, to make a success of leaving the EU, has to be centre stage [for the next Prime Minister],' says Lyons. 'And it would make sense if we had co-ordination and agreement amongst the senior people in that new Government... One would expect that a Prime Minister would want a Chancellor who supports his views strongly in this area.'

Before joining Johnson at City Hall, Lyons was global head of research and chief economist at banking giant Standard Chartered. The father of three is now chief economic strategist at Netwealth, a start-up wealth manager that uses

advanced technology to challenge established rivals. He is also on the board of the Bank of China and the advisory boards of the Grantham Research Institute on Climate Change and the Environment and the Warwick Business School.

Lyons, who was born to an Irish immigrant Catholic family in Kilburn, North West London, is considered an outside bet to become the next governor of the Bank of England when Canadian Mark Carney leaves the role in January. His odds could shorten if Johnson makes it to Number 10.

The 58-year-old, educated at a state school and notably not an alumnus of Oxford or Cambridge, is keeping his cards close to his chest. 'I'm honoured to be associated with such a question and with such a prestigious role,' he says coyly. 'However, there is little to say here other than I'm focused on, and committed to, my current roles.'

Very smooth. But Lyons is not as well prepared for the next question. Should the next Governor be pro-Brexit?

After a lengthy pause, Lyons repeats the question before answering: 'I think the Bank of England Governor, whoever that is, needs to address the key issues. Those key issues include a multitude of areas. The Bank of England's remit is clear cut: to achieve the 2 per cent inflation target and, subject to that,

to support the Government's economic policy. So I think whoever the new Governor is has to clearly support that agenda, and implement it.'

Others might advocate a Governor willing to stand up to the Government.

It's too soon to speculate over whether Lyons would be willing to take on his former boss if he were Prime Minister. But it is worth noting that Lyons publicly spoke out

against the controversial Brexit campaign claim that Brexit could 'take back control' of £350million a week.

The figure - closely associated to Johnson, who was forced to fight off the prospect of a criminal prosecution

over his use of it - was gross, encompassing all the money that the UK pays into the EU.

Lyons pointed out at the time that it did not take account of a rebate and funds that come back from the EU, and suggested a net figure of around £163million a week should have been used.

'I'm very proud of the position I took in the campaign,' says Lyons. 'I publicly criticised the use of the £350million figure on the side of the bus. Just as I was very critical of the forecasts that said there would be either an imminent recession or 500,000-800,000 job losses. I felt I took a very balanced approach.'

I'm proud of the position I took...I criticised the £350m figure on the bus

GERARD LYONS, 58: COMEDY-LOVING DAD

Lives: Near Sevenoaks in Kent.
Family: Wife, Annette, a painter, and adult children - two are students and one is stand-up comedian Elf Lyons, right.
Hobbies: Fulham FC season ticket holder, gym, attending church,



reading, walking and watching comedy.
Favourite comedian: Dave Allen.
Music: Echo And The Bunnymen.
Film: Apollo 13.
Book: The General Theory Of Employment, Interest And Money by JM Keynes.

Posh pet food firm plans £100m sale

THE private equity owners of posh pet food company MPM have appointed advisers to find a buyer. ECI Partners bought a majority stake in MPM, which targets 'discerning' cat and dog owners, in 2016. Sources said ECI recently appointed bankers from Harris Williams as it seeks to sell on the company next year for more than £100million. The latest company accounts filed for MPM,

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which is headquartered in Manchester, show revenues grew by 19 per cent in 2017 to £53million. Profits were about £4million.

The company - founded in 2002 by three dog owners who did not want to feed their pets additive-filled meats - owns brands including Applaws, Encore, Reveal and Nature's Calling. MPM has been enjoying

great success in the US and Asia in recent years.

Jonathan Buxton, a partner at mergers and acquisitions specialist Cavendish Corporate Finance, said private equity giants have a 'close interest' in the pet sector.

He added: 'Pet care spend is experiencing unprecedented growth - especially in Europe which has 200million pets.'

ECI and Harris Williams declined to comment.

BMW chiefs pledge loyalty to Britain

By Sarah Bridge

GERMAN car giant BMW has declared it remains 'committed' to the UK in a boost for our embattled automotive industry.

In accounts filed this month for BMW UK, directors added: 'We are currently going to great lengths to prepare our production network for the impact of Brexit.'

BMW brought forward the summer maintenance shutdown of its Mini factory in Oxford to April to

minimise disruption around the expected Brexit date at the end of March.

The car industry is going through turbulent times. US car maker Ford is closing its plant in Bridgend, South Wales, at the cost of 1,700 jobs. Lower car production is being blamed for contributing towards the downturn in the economy. Figures for BMW UK for

the year ending December 31, 2018, show turnover was slightly down on 2017 at £5.6billion. The previous year's profit of £76.3million fell sharply to £10.3million due to an £86.7million preference share dividend payout.

BMW employs about 8,000 people directly in the UK with an extra 14,000 in its retailer network.

Britain is BMW's fourth-largest sales market in the world.