

# Where next for the economist who called the global downturn?

**Katherine Griffiths**

Gerard Lyons, who has become one of the most influential analysts of the global economy, is leaving Standard Chartered after 13 years.

The bank's chief economist said that he was going to a new role outside the financial sector. The job will be in Britain, in contrast to years of travelling with the emerging markets-focused Standard Chartered. He will announce

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the name of his new employer in two weeks, after a brief holiday.

The departure of Dr Lyons from Standard Chartered will prompt speculation that he will take on a senior policy role. Observers have pointed out that there are likely to be vacancies at the Bank of England, where the surprise appointment of Mark Carney this week as the next governor may lead to a string of departures.

Dr Lyons said this week that in appointing Mr Carney, the Bank had bagged a “phenomenal candidate” who had proven himself in the regulatory sphere and in central banking.

Alternatively, he may take on a corporate job.

**Gerard Lyons: leaving bank**

He also plans to write a book. However, Dr Lyons will be on gardening leave from Standard Chartered until the end of the year, taking up his new role in January.

The 51-year-old pointed to his record as one of the few to grasp the seriousness of the impending financial crisis. “In August 2008, the month before the collapse of Lehman Brothers, I was one of only two UK economists then predicting an imminent deep recession for the UK, forecasting a GDP fall of 1.6 per cent versus a consensus rise of 0.9 per cent,” Dr Lyons said. “Last December, against the consensus, I predicted both the UK and euro area would both be in recession this year.”

The latter downbeat forecast looks likely to be borne out by subsequent events. Most analysts now fear that Britain will be lucky to muster any growth at all this year, with many predicting a full-year contraction.

Two years ago Dr Lyons said that China would overtake the United States to be the world's biggest economy by 2020 and that the world was in a “super-cycle” of sustained high growth. Previous “super-cycles” happened from 1870 to 1913 and after the Second World War until the early Seventies, according to Standard Chartered's research. The current one is said to have begun in 2000.

Since starting out in the City in October 1985, Dr Lyons has held senior roles at various banks, including DKB International and Swiss Bank Corporation.

Standard Chartered said that Dr Lyons “leaves the bank on very good terms and we wish him all the best in the future”. His replacement will be named in due course.

