Apologies "of sorts"—over pessimistic UK projections

The IMF warned the UK in April 2013 that in light of poor UK growth, if it continued with its policy of "austerity", that it was "playing with fire". By October 2013, the IMF had made sizable upward revisions to its UK growth projections and had withdrawn its criticisms of UK policy.

In June 2014, the Mme. Lagarde, the IMF Managing Director was asked directly if she had apologized to the UK Chancellor of the Exchequer: here is that interview. Her response, dubbed "apology" by many, elicited protest from retirement from the IMF mission chief who had been responsible for IMF work on the UK from 2009, including during the period when the IMF caution was given. His views can be found here. He called for a "correction" of the record in the subsequent formal IMF report on the UK, an action that was formally declined here.

The episode overlooks, however, the IMF forecast errors in the other direction from 2010 to 2013, when the IMF over-projected UK GDP. Those forecasts were the basis for strong IMF support for the UK's policy of austerity over that period.

And the episode overlooks the serial misdiagnosis of the UK economy in (at least) the decade to 2007—missing completely the economy's vulnerability to the disasters which unfolded from 2007 onwards—over which period the IMF lavished praise on the UK's macro-financial framework. These reports may be found here. No apology has been issued for any of these far more serious errors in IMF analysis of the UK economy.

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