Funding the Future

EY has noticed there's a war in the Gulf

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As The Guardian notes this morning:

EY has kicked off the week with a warning that the UK could fall into recession next year if the strait of Hormuz remains closed.

The consultant's latest economic outlook has suggested that gross domestic product (GDP) could slow sharply to 0.5% this year and contract by 0.2% next year if the conflict is not resolved and the vital waterway – through which a fifth of the world's oil and gas is normally carried – remains shut until early or mid-2027.

EY is, of course, the accounting firm once known as Ernst & Young. They think themselves one of the masters of the universe, despite which it has taken this long to notice that war is disrupting oil supplies and is very likely to continue to do so.

What is more, they now realise this might have economic consequences and want to tell the world, and The Guardian is naive enough to think this is news when a few of us - me included - have been saying so for months now.

What has kept them blind to this to date?

Are they unobservant?

Or frightened of Trump?

Or frightened of reaction from their clients?

That's my exhaustive list of possibilities. Whichever is true, EY are not masters of anything.