

# The man behind this shocking prediction

Retrieved Friday 14th of April 2017 08:25:18 PM

Akhil Patel is an editor at Southbank Investment Research and an expert in economic and financial cycles. He recently issued a note to investors that was titled “The Age of Opportunity”. In it, he contradicted the doom-mongers every step of the way and predicted: “[We’re at the start of the biggest wealth-building period in human history.](#)”

Akhil just published his latest research, which included the controversial prediction that the FTSE 100 could be about to double. I thought I’d share an interview we conducted with Akhil to give you a little more insight into who he is and how he came to develop his ideas. We discussed his life and experience – and figure out the reasons behind his remarkable optimism.

**Q: Tell us about your formative years. Where were you born, and where did you grow up?**

A: My parents moved to the UK in the 1970s from Kenya. Like a lot of Indian families, their parents and grandparents had moved over from India in the 1930s and settled in East Africa. Their kids then moved to the West – to Australia, the UK and America.

I was born and raised in London and have lived there all my life.

**Q: Where in London did you grow up, and what were you like as a kid?**

A: I grew up on the very edge of north London – in Cockfosters. Like all kids, I was fairly badly behaved on occasion. But on the whole, I was quite studious. I went to a very good school: a small independent school in the centre of London called St James. It was very popular with parents of Indian origin.

We were taught Sanskrit from the age of four, and introduced to quite a lot of Eastern and Western philosophy. There was an emphasis on the study of classics, philosophy and music. [The curriculum was] inspired by the Renaissance. It was a very rounded education. But it was also a bit unusual, relative to my friends who weren’t there. I was at that school from the age of 4 to the age of 18.

**Q: You didn’t give your parents too much trouble as a boy?**

A: No – although you might need to ask them. I was academically fairly able, usually top of the class, but I had to work for it. I had some very bright friends as well. We always tried to push each other and study more and learn more.

**Q: Which subjects did you like the most?**

A: I went on at university to study classics. I also loved mathematics and history. It was a really big decision when I had to apply to university – whether to study mathematics or classics. I’d done both in my A-levels. It took me a while to make a choice. I opted for classics.

**Q: What were your passions?**

A: I was always into sports – particularly football and cricket – although I went to a rugby-playing school and didn’t play much football. I played a lot of cricket and squash.

In terms of other hobbies, there was nothing major. I used to love building model airports, and Lego was a big thing when I was younger! I also studied music – piano and musical theory. So that took up my spare time.

**Q: Are you good at piano?**

A: Not any more! It’s been 18 years since I really played. I have a much deeper appreciation of music [as a result].

**Q: What line of business do your parents work in?**

A: My father and his brother own a pharmaceutical wholesaling business and independent pharmacies on the side.

**Q: I understand the family business encountered some difficulties a number of years ago.**

A: Yes – in the early 1990s. These experiences were extremely formative to what I've gone on to do in studying economic cycles.

In the early 1990s, the recession in the UK was quite severe. My family had opened a manufacturing centre. They had to close it down. There were issues with the bank, with creditors. I had just turned 13 in 1991. Having a family going through economically difficult times, cutting back spending, seeing a lot of people lose their jobs around us, really felt uncertain, even though my parents fought through it. For me, it was quite unsettling.

**Q: Was there a difference in your standard of living?**

A: There was. I remember that all the discretionary spending stopped – things that we would buy at home, going out to dinner, going on holiday. At least for a couple of years. But it seemed like a long time at that point.

Subsequently, my father said they were considering pulling us out of the school we were at. That would've been a very big moment. Then, he said, "We decided to fight it out and make cuts elsewhere." It's amazing what parents do for their children.

**Q: Were you proud when you got into Oxford University to study classics – ie, ancient Greek and Latin?**

A: I was very proud. I tell you why. As a seven-year-old, my school took us to watch the Oxford-Cambridge rugby match. I decided then that I wanted to study at Oxford. They had very nice dark blue rugby shirts. I remember telling an older cousin. My cousin said, "In that case you've got to do your homework and work hard."

When I managed to achieve it, it was a really big moment. I remember opening the letter just before Christmas in 1995 and anticipated them sending it for two weeks.

Previously, I was in a relatively small school and stood out to a certain extent. At Oxford, everyone was in the same boat: really bright people, a very stimulating environment. You developed a very personal intellectual relationship with your tutors. The tutors in my college were some of the leading experts in their field. To have that interaction and that amount of face-time twice a week for four years was really quite something. I took advantage of that, but looking back wish I did a bit more. It was a really stimulating experience.

Oxford was very good socially, too. I played a lot of sports; there were a lot of facilities. It was work-hard play-hard time.

**Q: What did you do after Oxford?**

A: I had a year in the civil service, working in the Home Office, in 2000-2001.

In the late 1990s and early 2000s at Oxford, all that everyone talked about in interview was becoming an investment banker or a management consultant or starting up in some kind of dotcom company which was going to be the next lastminute.com. In those days, that was the thing to aspire to. It was really competitive to get an internship with one of those.

I didn't manage it. Looking back, my interest at the time was more in the public sector space – not that I knew a huge amount about it. It was a very interesting experience.

**Q: Why?**

A: For two reasons. This was back in 2000. It was the height of New Labour. There was a real ambition around the first and second Labour terms, before they got embroiled in the Iraq War. There was a real dynamism, with Blair speaking of first-class public services, and there were a lot of interesting ideas all across Whitehall.

At the time, I was also working in the prison service. I knew nothing about the prison service. Getting the opportunity to work on policy and then to visit prisons as part of my initial experience was very, very interesting. I went around Holloway prison, which is around the corner from where I now live. I shadowed the of Wandsworth prison for a day. I met other prisoners.

**Q: Were you frightened?**

A: I suppose I was initially. The surprise was seeing them as extremely normal people. One day at a service in a chapel, I was sitting next to a guy who was convicted for something quite serious. I didn't inquire what that was. It wasn't petty theft.

He was just a normal guy, and he was talking about his religious experiences. During prison, he found God, and he talked through how he regretted what got him there. He was grateful. It seemed like a really normal conversation. I could have had similar conversations with friends at Oxford. That was quite a surprising aspect. Sometimes people make wrong decisions and they need to live with the consequences.

**Q: What happened after that yearlong employment?**

A: Given my background in humanities, I thought I should probably try and get some academic experience in a related area. So I got a master's degree in public policy from the London School of Economics [LSE].

That was also a really good experience for a whole number of reasons. Oxford is a very interesting place, but LSE is at the heart of London, and London is one of the most diverse international places on the planet. Of a total of 50 master's students at the time, only two were from the UK. I really loved that. It was my first real exposure to how international London is.

Having had to work for a year, I also really appreciated the student experience: the intellectual freedom, and the ability to get to know people socially very regularly.

**Q: Did your parents support you in getting your master's?**

A: I got a grant. It was one of the final grants you could get for a master's, and it was from the ESRC [Economic and Social Research Council]. The grant wasn't much. I worked part-time at an educational company called Kaplan that helps train students to pass their GMAT exams.

I then started working at the National Audit Office [NAO]. The of the NAO lectured at LSE – that's how I came across the institution. When the opportunity to apply came along, I took it. I joined NAO in the start of 2003 and left in 2010.

**Q: What was that like?**

A: At the time, the NAO was doing a big push [to recruit] people with a social science background. One side of the NAO signs off the financial accounts of central government, and the other half releases value-for-money reports: year-long studies into government programmes to determine whether they represent value for money. The reports are then considered by the Parliamentary Accounts Committee, which makes recommendations that the government has to implement. It's part of a very public process of accountability.

**Q: What made you leave?**

A: I'd got as much out of it as I wanted to. You sometimes get too comfortable in an organisation. I'd been promoted fairly rapidly, which was good, and one of the reasons I stayed for long. But I felt I wanted a new organisational experience, a new challenge.

By that point I'd got very interested in environmental issues and climate change. I worked my way into the Department of Energy & Climate Change [DECC]. I wanted to explore those interests more fully, get more experience on the other side of the public accountability process, and work in government again.

**Q: How long were you there?**

A: I was on secondment there from the NAO, and left at the start of 2012, so 14 to 15 months. I did a master's in finance part-time. And at the start of 2012, I moved over to the European Bank for Reconstruction and Development [EBRD].

**Q: Why the EBRD?**

A: My secondment at the DECC ended, and NAO said, "You have to come back." I'd got everything I wanted to out of the NAO, so I resigned.

EBRD was an available opportunity on a six-month contract. I was working in the international team at DECC and I had some

experience of multilateral banks. The person managing that relationship was going on maternity leave, so I went on to cover for her.

Also, when I was completing my master's at LSE in 2002, I thought I'd quite like a career in international development. It was one of the options I was considering. The only international bank in the UK is the EBRD. I came across it then.

**Q: How did you like it there?**

A: I'm still there. I work there part-time. I like it very much.

**Q: What do you like about it? It's a multilateral European institution and those types of institutions are not very fashionable nowadays.**

A: It's not European in the sense of the EU. Traditionally, it's had a French or a German president, and a US Senate task force report described it as a French- bureaucracy. There are elements of that. But for a multilateral organisation, it's actually quite nimble. It focuses on private-sector development and operates quite commercially, or tries to. So that makes it quite unique among the world's multilateral development banks.

The EBRD operates in a very fascinating region that stretches from Central Europe to Central Asia and parts of North Africa. The region is now, again, very prominent in the news.

In the 2000s, people felt that the EBRD's role had been achieved. The financial crisis demonstrated that some of the economies were not as resilient.

**Q: What do you do there?**

A: The EBRD makes investments in private but also sub-sovereign lending. It raises funds from principally aid agencies to provide technical assistance alongside investments. I work alongside the team that builds those relationships with DIFD [Department for International Development] or USAID [United States Agency for International Development] or similar agencies.

We basically lend our own capital to investments, but we also provide technical assistance. To pay for that, we raise grant funding from these aid agencies. For us, it's about making sure that our investments are sounder. We're technically helping the client to improve, or providing support to help them take on investment.

**Q: Your profile is quite unusual: you seem to straddle both public or multilateral jobs and private-sector jobs. You seem to be in a halfway house.**

A: That's right.

**Q: What do you like about that?**

A: The variety. I love the international ethos and nature of the work at EBRD. I really enjoyed the public, spirited and focused work at the NAO and the Home Office. But I also like the challenge of trying to develop my own brand and business. You could argue that there's a lack of focus there, but I've got to a situation where I can balance these slightly different things.

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We'll return for the second part of Akhil's interview on Monday. In it, we discussed what made Akhil start researching the concept of economic cycles. It's that research that's led to his shocking latest prediction.

What is it?

[See for yourself here.](#)

Until then,

Nick O'Connor

Nick O'Connor  
Associate Publisher, Southbank Investment Research

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