

Battle to woo the nomad billionaires
BIG READ, PAGE 21

Musk has blunted my craving for a Tesla
PILITA CLARK, PAGE 24

Enemy lines Ukraine steps up Russia push

A Russian armoured column on the move yesterday as Moscow sought to reinforce its troops after Ukrainian forces crossed the border and occupied territory in the Kursk region.

Russia has failed to push back the incursion despite sending in reinforcements, Ukrainian soldiers involved in the operation told the Financial Times yesterday. Speaking near the international border, they said they remained in Russian territory.

Verified videos and photographs show Ukrainian troops have advanced 30km inside Russia since the operation began last week, including occupying the town of Sudzha.

Ukrainian president Volodymyr Zelenskyy said this weekend that the troops were taking action "to push the war out into the aggressor's territory". Russia has vowed a "tough response".

Russia struggles & Putin blamed page 4



Russian Defense Ministry Press Service via AP

Briefing

► **Blue-chip bosses' pay rebounds to £5mn average**
The pay of FTSE 100 chief executives has hit an average of almost £5mn after an increase last year of £560,000. Median pay rose more modestly. AstraZeneca boss Sir Pascal Soriot remained the best-paid on £16.9mn. — PAGE 8

► **Alarm on China economy**
Multinational businesses from VW to AB InBev and L'Oréal have sounded an alert about demand, as they struggle with a shrinking appetite for foreign brands and growing competition. — PAGE 8

► **Medal dip flags cash fears**
The British Olympic team has suffered a drop in gold medals in Paris despite raising its total haul, a result that follows concern over UK sport funding. — PAGE 2; FRANCE RECORD, PAGE 4; VIAGOGO, PAGE 8

► **Home insurance surge**
The average policy has jumped by almost one-fifth to just under £400, an all-time high, as insurers raise prices after paying out record amounts for claims tied to weather last year. — PAGE 2

► **Israel to hit Khan Younis**
The Jewish state has ordered tens of thousands of Palestinians to leave shelters in parts of southern Gaza, in preparation for another raid on areas from which it says Hamas fighters operate. — PAGE 4

► **Hope rises for Iran shift**
Reformist President Masoud Pezeshkian has nominated an ex-nuclear negotiator as foreign minister, a possible sign of a new pragmatism over sanctions talks, despite tension with Israel. — PAGE 4

► **US junk loan funds suffer**
Leveraged loan funds have seen their biggest outflows since early 2020, as investors fretted last week over the impact of a potential slowdown on highly indebted companies. — PAGE 8

► **Electric Royal Enfield**
The motorcycle brand has entered the "advanced" stages of developing an electric bike as manufacturers scale up to target the market for high-performance battery-powered bikes. — PAGE 11

Harris leads Trump on economy in poll that marks sharp sentiment shift

► Views change after Biden exit ► Inflation still voters' top concern ► Ex-president favoured on trade

LAUREN FEDOR AND EVA XIAO
NEW YORK

More Americans trust Kamala Harris to handle the US economy than Donald Trump, according to a new poll that marks a sharp change in voter sentiment following President Joe Biden's withdrawal from the White House race.

The survey, conducted for the Financial Times and the University of Michigan Ross School of Business, is the first monthly poll to show the Democratic presidential candidate leading Trump on the economy since it began tracking voter sentiment on the issue nearly a year ago.

Although 41 per cent of Americans still trust the former president more on economic issues — unchanged from the two previous monthly polls — the sur-

vey found 42 per cent of voters believe Harris would be better at handling the economy. That is a 7 percentage point increase compared to Biden's numbers last month.

"The fact that voters were more positive on Harris than on Biden... says as much about how badly Biden was doing as it does about how well Harris is doing," said Erik Gordon, a professor at the university.

Despite strong US growth and

'The poll is good news for anxious Democrats, but their worries aren't over'

Erik Gordon, Michigan university

employment figures, Biden struggled to convince voters that his economic policies were benefiting them — a trend that has continued since his withdrawal from the presidential campaign.

Americans still overwhelmingly cite inflation as their biggest concern going into the November election, and the survey showed only 19 per cent of voters believe they are better off today than they were when Biden took office in 2021. But the new FT-Michigan Ross survey suggested Harris may be able to distance herself from Biden on economic issues. Some 60 per cent of those surveyed said she should either break completely from the president's economic policies or "make major changes" to his platform.

Harris also enjoyed a significantly

higher approval rating than Biden, with 46 per cent of registered voters saying they approved of the job she was doing as vice-president, compared to 41 per cent who said they approved of the job the president was doing.

However, the survey also showed underlying economic unease could still benefit Trump, who has repeatedly criticised the Biden administration for its record on inflation.

Just one in four registered voters rated economic conditions as either "excellent" or "good," and 42 per cent said they would be "much" or "somewhat" better off if Trump won another four years in the White House. Just 33 per cent said they would be "much" or "somewhat" better off under a Harris presidency.

Gordon said: "The poll is good news for previously anxious Democrats, but their worries aren't over because voters still see themselves better off with Trump as president, and most voters think of their interests first and grand policy questions second."

Trump also polls better than Harris on some specific economic issues, particularly trade; he has long championed a protectionist trade policy.

The FT-Michigan Ross Poll was conducted online by Democratic strategists Global Strategy Group and Republican polling firm North Star Opinion Research from August 1-5. It reflects the opinions of 1,001 registered voters and has a margin of error of plus or minus 3.1 percentage points.

Harris campaign & Tehran blamed page 6



City digs deep to tackle threat of extreme weather

The City of London Corporation is rolling out moves to address climate change, ranging from upgrades to riverside walls to protect against rising water levels, to swapping flowers for Mediterranean varieties better suited to the heat. Some £68bn has been earmarked but the bill over coming decades is expected to be much higher. The Thames Estuary 2100 project, to protect communities along the river, is set to cost £16.2bn alone.

Adapting to change — PAGE 3

Dozens of start-ups backed by Sunak's Covid fund face axe as bad loans mount

RAFE UDDIN

Dozens of small businesses that received taxpayer-funded start-up loans under Rishi Sunak's pandemic-era Future Fund programme face being wound up, adding to a growing pile of bad investments under the scheme.

The Future Fund is a £1.14bn portfolio of investments that was set up by the former Conservative prime minister when he was chancellor and is managed by the British Business Bank. It lent to 1,190 mainly early-stage companies between May 2020 and July 2021 as part of the government's Covid-19 stimulus spending.

Businesses were required to raise a funding round that included a valuation within three years, or repay the full amount of the loan as well as a 100 per cent premium and any accrued interest.

Court records show that the BBB has filed winding-up petitions for 27 companies in the Future Fund portfolio since the beginning of this year. The deadline for final redemptions on the three-year convertible loans was in July.

Another 20 companies have been placed into liquidation, Companies House records show.

While some of the businesses backed by the fund have proven to be promising tech companies, it has come under scrutiny for funding more unusual enterprises including a cannabis products company and a sex party planner.

The scheme, set up in 2020, matched funding up to £5mn raised by companies from third-party investors. It provided funding to any businesses that met the conditions of the scheme.

At the end of June, 152 loans worth £131mn were still outstanding, the bulk

of which have been extended, while 258 businesses have become insolvent at a cost of £226mn to the taxpayer.

BBB has converted roughly 711 loans into equity on the back of £708mn in investment and "exited" 71 companies, usually after a start-up had been bought and the loan repaid.

The BBB reported a £122mn post-tax loss in its latest financial year, the company said this month, as falling start-up and tech valuations dragged down the state-owned organisation's financial performance. The figure did not include the Future Fund portfolio, which sits on the Department for Business and Trade's balance sheet.

The BBB said: "We have a duty to protect the interests of taxpayers. The bank will take steps to wind up any company it believes is insolvent or is in breach of the loan agreement."

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World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS						
	Aug 9	Prev	%chg		Aug 9	Aug 2		Aug 9	Aug 2	Chg				
S&P 500	5217.52	5319.31	-0.03	\$/€	1.092	1.092	€/£	0.916	0.916		US 2 yr	4.03	4.04	-0.01
Nasdaq Composite	16631.08	16660.02	-0.17	\$/¥	1.776	1.781	¥/£	0.784	0.781		US 10 yr	3.94	3.96	-0.05
Dow Jones Ind	39383.73	39446.49	-0.16	€/€	0.856	0.853	€/€	1.163	1.173		US 30 yr	4.23	4.28	-0.05
FTSEurofirst 300	1979.47	1968.33	0.57	¥/\$	146.590	146.660	¥/€	160.123	160.190		UK 2 yr	3.62	3.65	-0.03
Euro Stoxx 50	4670.91	4668.74	0.05	¥/£	187.084	187.821	£ index	82.725	84.037		UK 10 yr	4.05	4.08	-0.03
FTSE 100	8168.10	8144.97	0.28	SFr/€	0.945	0.938	SFr/£	1.104	1.100		UK 30 yr	4.51	4.53	-0.03
FTSE All-Share	4465.04	4450.48	0.33	CRYPTO							JPN 2 yr	0.29	0.26	0.03
CAC 40	7269.71	7247.45	0.31		Aug 9	Prev	%chg				JPN 10 yr	0.85	0.83	0.03
Xetra Dax	17722.88	17680.40	0.24	Bitcoin (\$)	60050.00	61333.34	-2.09				JPN 30 yr	2.06	2.08	-0.03
Nikkei	35025.00	34831.15	0.56	Ethereum	2580.20	2695.08	-4.26				GER 2 yr	2.39	2.39	0.00
Hang Seng	17090.23	16891.83	1.17	COMMODITIES							GER 10 yr	2.23	2.27	-0.04
MSCI World \$	3427.78	3372.32	1.64		Aug 9	Aug 2	%Week				GER 30 yr	2.46	2.50	-0.04
MSCI EM \$	1646.31	1650.30	-0.36	Oil WTI \$	76.68	73.67	4.09							
MSCI ACWI \$	781.77	770.70	1.44	Oil Brent \$	79.56	77.08	3.22							
FT Wilshire 2500	6641.10	6684.08	2.35	Gold \$	2411.45	2454.55	-1.76							
FT Wilshire 5000	53227.10	52004.70	2.35											

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NATIONAL

Olympics

Team GB suffer slump in gold medals

Mixed outcome after rise in podium places follows concerns about funding

JOSH NOBLE

The British Olympic team suffered a significant drop in gold medals at the Paris games even while increasing its total medal count, a mixed result that follows concerns about funding pressures in UK sport.

Team GB finished yesterday with a total of 65 medals, one above the haul at the Tokyo Games three years ago and towards the top end of the stated target range of 50-70 announced last month.

However, the 14 gold medals in Paris was the lowest number since the 9 won in Athens in 2004. British athletes won 22 golds in Tokyo and 27 in Rio in 2016.

In terms of total medals won, the UK came third behind the US and China. But ranked by gold medals, Team GB managed only seventh place.

Team GB and UK Sport warned before the games that rising inflation and a shortfall in funding has imperilled the prospects of the British Olympic team.

Olympics and Paralympic programmes are funded through UK Sport, a government agency that also handles spending for hosting big sporting events in the UK, such as the Euro 2028 football contest. The National Lottery provides

60 per cent of UK Sport's funding with the rest coming from the government.

In the run-up to Paris, Olympic sports received £246mn from UK Sport, up from £221mn in the Tokyo cycle.

But adjusted for inflation, funding for Olympic sports has fallen around 17 per cent since 2008, according to a Financial Times analysis.

Rising costs have forced sport federations to make hard decisions such as whether to pay for costly training camps and international competitions that help prepare athletes for the Olympics.

"It's probably fair to say that inflation has hurt everywhere," Sally Munday, chief executive of UK Sport, told the Financial Times on the eve of the games.

"It's made for some really challenging choices for a lot of the sports."

Rival nations such as France and the Netherlands have increased spending on Olympic sports and pushed up wages for top coaches, she added, while Brexit had made travel and hiring from overseas harder.

Team GB still scored some notable successes. The rowing team bounced back from a poor showing in Tokyo, notching up eight medals, while Keely Hodgkinson's victory in the women's 800 metres and Alex Yee's triathlon gold were among the high-profile wins.

UK Sport's current Olympic and Paralympic funding runs out in March next year. A funding arrangement for the

cycle leading up to the Los Angeles games in four years' time is due to be negotiated as part of the government's spending review.

Speaking to the FT before the games in Paris, the chief executive of the British Olympic Association, Andy Anson, warned that some sporting federations were already planning to cut the number of athletes funded in the run-up to LA 2028 owing to squeezed finances.

In a statement yesterday, Dame Katherine Grainger, chair of UK Sport, said Paris 2024 marked "another thrilling chapter of Great Britain's Olympic success" and congratulated the team on their "continued, consistent" results.

[France enjoys home advantage page 4](#)

Housing premiums

Average home insurance policy jumps close to £400

IAN SMITH

The average home insurance policy has jumped by almost one-fifth to just under £400, an all-time high, as insurers increase their prices after paying out a record amount of money in weather-related claims last year.

Annual policies covering buildings and contents hit an average of £396 between May and June, according to data published today by the Association of British Insurers.

The figure marked a 6 per cent rise on the previous three months, and was 19 per cent higher than the same period last year, the trade body said.

The data underscores the growing affordability pressure on consumers as the home insurance sector responds to its worst underwriting conditions for decades. Inflation in insurers' rebuild costs and other factors have combined with more severe and extreme weather linked to climate change to push up payouts.

Insurers paid out £1.4bn in claims to UK homeowners and businesses between April and June, according to the ABI, a record quarterly total since data collection began in 2017.

Last year, insurers paid out a record £573mn for weather damage after a series of storms.

Louise Clark, a policy adviser at the ABI, said the claims figures for the second quarter pointed to the "devastating impact" that adverse weather can have, and reiterated the industry body's call for planning changes and resilience measures to reduce risks.

"Urgent government action to tackle surface water flooding and maintain flood investments and maintenance will also help reduce the future impact of flooding," she added.

Weather-related claims for households – where insurers paid out for damage from episodes such as storms, heavy rain and frozen pipes – were higher than £100mn for the fifth consecutive quarter, the ABI said. Subsidence payouts also posted a quarterly record.

The £396 figure – which is based on policies paid rather than comparison quotes, like some other industry measures – was an all-time high in nominal terms. But when adjusted for inflation it was still below levels reached in 2017, the ABI said.

The rise in the cost of the average home insurance policy – a crucial financial product for millions that is typically a condition of mortgage borrowing – follows what consumer groups have called a "crisis" in car insurance, another core product.

Labour promised to tackle the "soaring cost of car insurance" in its general election manifesto, though comparison quotes for motor cover have begun to ease from historically high levels in recent months.

Paul De'ath, head of market intelligence at consultancy Oxbow Partners, said premiums in home insurance were slower to respond to rising claims compared with motor premiums, partly because some firms focused on fixing the problems in their bigger motor underwriting operations first.

"It is only now that the market is really moving prices up to account for [the rising home insurance claims]," he added.

Employment. Shortages

Labour looks to fill IT and engineering skills gap

Reliance on migrant workers discouraged in favour of better training for homegrown talent

DELPHINE STRAUSS

Mechanical and electrical engineers who speak Mandarin are in short supply in Musselburgh, the East Lothian town where green hydrogen supplier Logan Energy has its base.

Even after waiving the language requirement and offering flexible work, the Scottish company struggles to find the mix of engineering and software skills that it needs to underpin a rapid expansion into new markets.

Six months is the average lead-in time to hire, according to executive chair Thomas Burley, but after an 18-month search, the only way to fill one crucial post was to sponsor a visa for an EU-based candidate.

"It's difficult for a small business like us to hire ahead of winning projects," he said. "We need to be able to access very specific talent . . . We can get good quality people in the UK but when you need to expand quite quickly, it's difficult."

Burley's problem is at the heart of the question posed by the new home secretary Yvette Cooper, who wants to know why UK employers offering highly paid, professional roles appear mired in a permanent skills crisis.

Last Wednesday, she wrote to the government's independent migration advisers asking them to investigate why the tech sector and engineering were so reliant on international recruitment.

"The current situation is not sustainable and the system as it exists is not operating in the national interest," she said. The underlying message was clear: if employers want to keep easy access to the visa system in future, they will need to show they have done everything possible to train homegrown talent.

The big difference from previous clampdowns on visa routes though is that ministers are focusing on two sets of high-earning graduate jobs where migrants have previously been seen as more likely to boost UK productivity, innovation and tax revenues than to undercut British workers.

Brian Bell, chair of the Migration Advisory Committee tasked with the review, said the new Labour government's approach was in tune with a



Joining up: outside of healthcare, employers sponsored 67,703 skilled worker visas in the year to March. Just over 4,000 of these were in engineering

Ian Shipley/Alamy

broader push to prompt the private sector to invest more in training.

"You can't just say that because these are high-paid jobs, we don't need to train British people. These are exactly the jobs we want to train British people for," he told the Financial Times, describing ministers' thinking.

Curbing the number of engineers and IT workers entering the UK would make relatively little difference to net migration, which is already falling from the record high of 745,000 seen in 2022.

Outside of healthcare, employers sponsored 67,703 skilled worker visas in total in the year to March. Just over 4,000 of these were in engineering.

In IT, where hiring has been depressed by a sectoral downturn, employers sponsored around 10,000 workers also entered through a separate "business mobility" visa route, which is often used by IT outsourcing firms such as India's Infosys to bring employees to the UK on temporary secondment.

Businesses said it would be impossible in the short term to replace these hires

with UK graduates, who often abandon engineering for higher paid careers in finance or consulting.

They also argued that restricting visas would not solve a skills crisis rooted in underfunding of education. "The number of people in STEM [science, technology, engineering and mathematics] education in the UK is too low for the demand we have," said Andy Heyes, regional managing director at the specialist tech recruiter Harvey Nash.

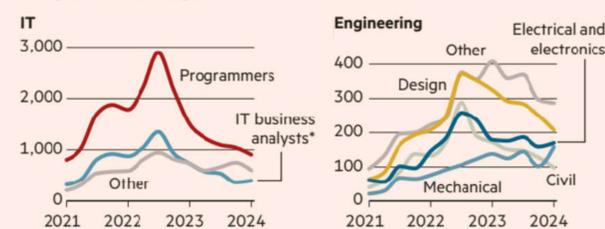
Jamie Cater, senior policy manager at manufacturers' organisation Make UK, said employers were "in a Catch-22 situation" because further education colleges could not afford skilled tutors to teach apprenticeships and businesses were too short-staffed to send employees to fill the gaps.

Meanwhile, universities are reliant on the higher fees paid by international students to fund technical courses that are expensive to deliver.

Despite their opposition to the idea of restricting visas, business groups hope the MAC's review will lead the government to boost support for training in

There has already been a sharp decline in the most popular visas in the IT and engineering sectors

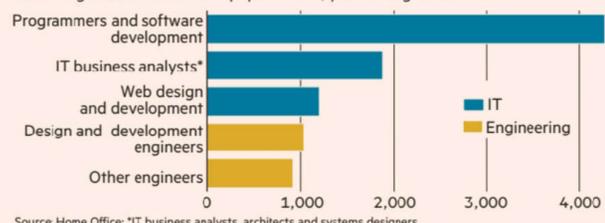
Skilled worker visas granted for top 3 engineering and IT roles, rolling 12-month average



Source: Home Office; "Business analysts, architects and systems designers. Covers all roles under IT and telecom professionals and engineering professionals. Some relevant roles, such as lab technician, fall under different occupational categories"

Programmers are the most common IT hire using the skilled worker visa

UK visas granted for five most popular roles, year ending March 2024



Source: Home Office; "IT business analysts, architects and systems designers"

'The number of people in STEM education in the UK is too low for the demand we have'

areas where international recruitment is prevalent. "The UK system is all stick and no carrot," said Cater, who wants high use of the visa system to trigger higher government funding for apprenticeships in the relevant occupations.

Bell said the government had made "no judgment . . . on what the answer might be" and the MAC could still conclude that it was "inevitable that immigration will play an important part" in certain occupations. "It's entirely open to us to end up saying that a big problem is the lack of training places . . . we'll feel free to stoop into that area."

But Bell also noted that there would always be some jobs where businesses competing globally wanted to recruit the best person from a global pool.

Heyes also said tightening visa rules too far could backfire in the highly mobile tech sector, where multinational could easily move work overseas.

"If we cut off [access to overseas workers], organisations will find another route to get them," he said. "The difference is, that person might not be paying tax in the UK."

Monetary policy

Wage growth still a concern for inflation, BoE hawk warns

DELPHINE STRAUSS

The UK should not be "seduced" into thinking the battle against inflation is over after a short-term drop in the headline measure the Bank of England targets, a rate-setter at the central bank has warned.

Catherine Mann, an external member of the BoE's monetary policy committee, said she was still concerned about upside risks to inflation despite the main rate remaining at the bank's 2 per cent target in June.

Goods and services prices were both set to rise again, Mann told the Financial Times Economics Show podcast, and wage pressures in the economy could take years to dissipate.

Survey evidence suggested that companies were still expecting to make relatively big increases to both wages and prices, she said, and "that says to me right now I'm looking at a problem for next year."

In the latest round of annual pay deals, "some people at the bottom got quite a bit of an increase, rightfully so, but the ones above them didn't. Which means next year they will," she argued.

In a similar fashion, firms often watched their rivals raise prices and followed suit, Mann said.

"There is an upwards ratchet to both the wage setting process and the price process and . . . it may well be structural, having been created during this period of very high inflation over the last couple of years. That ratchet up will take a long time to erode away."

Mann was speaking ahead of a week of key UK data releases, which are expected to show an ongoing upswing in

economic activity and consumer price inflation rising back above the BoE's target to 2.3 per cent, as household energy bills stabilise.

The former OECD chief economist is among four members of the MPC who voted to leave interest rates on hold earlier this month, dissenting from the majority decision to cut the benchmark borrowing rate for the first time since the onset of the pandemic, from 5.25 per cent to 5 per cent.

Mann, who has consistently voted for

tighter policy than others on the MPC, said she had moved down from 10 to 7 on a scale of "hawkishness" since the start of the year as price pressures eased. But even the MPC members who voted to cut interest rates earlier this month said their decision was "finely balanced".

Recent turbulence sparked by fears of a US recession would not make their next decision any easier, Mann said, because volatility in asset prices tended to add to inflationary pressures. Meanwhile UK importers would not necessarily pass savings from the recent stronger pound on to consumers.

The big division between the two groups on the MPC is over how long it will take for strong wage growth to subside, which would allow stubbornly high services price inflation to retreat.

Mann argued that it could take "multiple years" for wages to catch up with workers' expectations, in a tight jobs market where they were well placed to negotiate with employers.

"There are a lot of vacancies, there's a lot of desire to employ people, and there don't seem to be workers out there," she said.



Catherine Mann is an external member of the Bank of England's monetary policy committee
Hollie Adams/Bloomberg

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NATIONAL

Square Mile adapts to climate change with investment in 'extreme weather' planning

City rolls out measures ranging from riverside wall upgrades to replacing British flowers with Mediterranean varieties

ATTRACTA MOONEY AND JANA TAUSCHINSKI

At Bank Junction in the heart of the City, newly planted flowers splash colour on to a heavily concreted area. These are no ordinary flowerbeds: they are part of efforts to prepare the financial district for the effects of climate change.

Across the Square Mile, the City of London Corporation is rolling out environmental measures, from upgrades to riverside walls for protection against rising water levels to swapping British flowers for Mediterranean varieties better suited to the heat.

The corporation plans to invest £68m between 2020 and 2027 on climate action. But this is only a fraction of the bill that will need to be spent in the coming decades to prepare the capital for a future of more extreme weather.

The Thames Estuary 2100 project, the UK's largest flood risk programme created to protect communities in London and along the river, alone is expected to cost £16.2bn when completed in 2100.

But climate experts are concerned that the City's efforts to deal with global warming will not be enough if poorer London boroughs struggle to take the action needed, while also raising questions about inefficient glass-and-steel

inefficient glass-and-steel towers poorly designed for a warming world have given rise to concerns

towers that are poorly designed for a warming world.

Bob Ward, chair of the London Climate Ready Partnership, a coalition of government, business and community leaders focused on building resilience to extreme weather, said the Square Mile was a "leader in London" when it came to preparing for climate change.

However, if the City "does a good job but other areas don't, someone else will suffer even more. It is right that the City is doing what it can, but . . . it needs to persuade [other boroughs] to be similarly active in tackling the problem".

The flowerbeds at Bank Junction have been designed with a granular fill material to hold surface water flooding. Rain from the road drains under one bed while the other catches water from the pavement. Surface water flooding is expected to increase as climate change makes rainfall more intense, with the City's heavily paved surfaces leaving the area especially at risk.

Alison Gowman is one of the team of aldermen who act as elected stewards for the City authority. As one of the most important financial districts, ensuring the Square Mile was prepared for the effects of climate change was vital, she said. "We are trying to balance the City's history with the need to protect the City," she said.

Many cities have begun looking at the challenge of how to adapt to climate change. About \$63bn was spent on adaptation in 2021-2022, according to a report from the Climate Policy Initiative and the Global Center on Adaptation, with experts saying this will increase rapidly as temperatures rise.

New York, which lacks the tidal flood protection of London, is starting to build new coastal protection infrastructure, with an expected bill of \$52bn to protect the city from coastal storms. Singapore has focused on green spaces, while Tokyo has concentrated on developing a "robust preparedness system", with regular disaster drills, "so people know what to do when the clouds burst or the rivers overflow", said Mark Watts, executive director of C40, a group focused on making urban centres sustainable.

Climate change has already hit the British capital, with flash flooding in 2021 and temperatures of 40C in 2022.

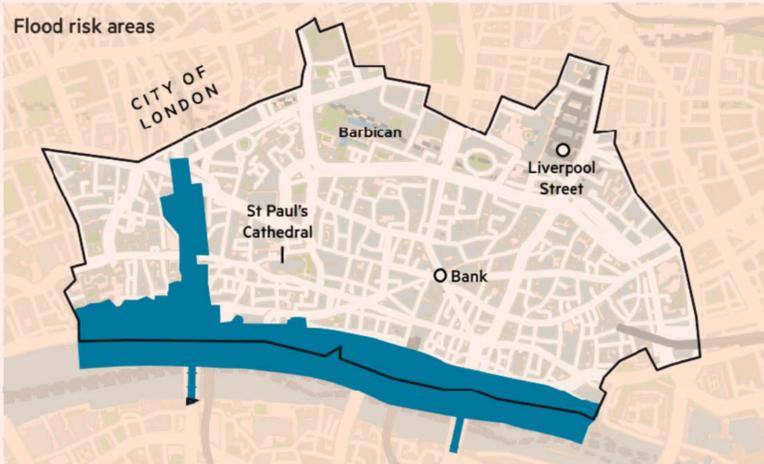
Emma Howard Boyd, former chair of the Environment Agency, the public body responsible for environmental protection in the UK, agreed that the City was ahead of its peers in the capital, especially when it came to its riverside strategy. "You are only as good as your weakest link. This is where you need that collaborative working across the whole of London," she said.

The London Climate Resilience Review, commissioned by London mayor Sadiq Khan, this month warned that the British capital was underprepared for the "disastrous consequences" of climate change, with severe flooding and extreme heat posing a "lethal risk".

It argued that while "significant climate adaptation and resilience action" was taking place across London, it would not be enough to meet forecast rises in global temperatures. The report called for a review of the economics of adaptation and climate resilience, citing



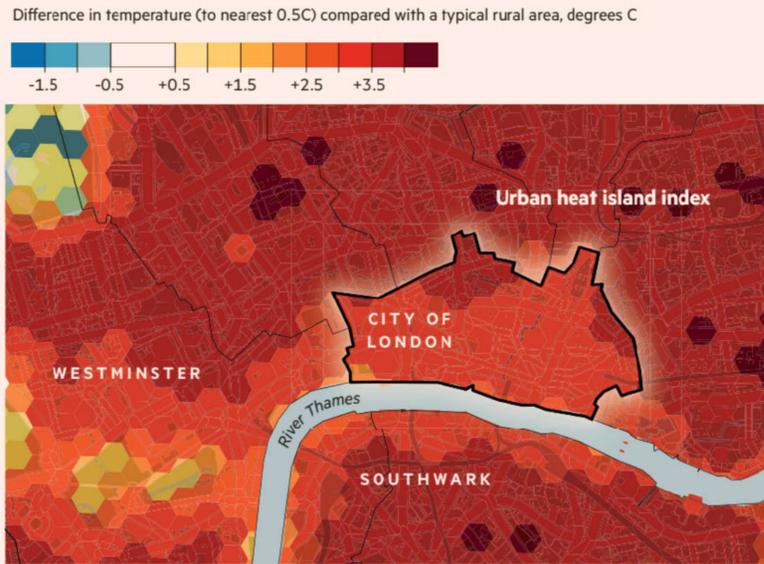
The City of London will need to raise flood defences further by 2050



Green spaces promote biodiversity and provide cooler microclimates



Most places in the City are more than 3C warmer than comparable rural areas



Sources: City of London; Mapping for Climate | OSM.org

the National Audit Office, which said the government had been "unable to provide an estimate of how much it spends to manage the risks for droughts, high temperatures and heatwaves, surface water flooding and storms. Action is taken by a wide range of government departments and agencies, and no one collects this information".

One of the Square Mile's attractions — its riverside site — is a vulnerability. The Thames Barrier, east of the City, and walled defences along the Square Mile's 2km of riverside frontage have helped protect the area from flooding.

The Environment Agency is due to make a decision on the future of the barrier by 2040, while the walled defences should protect the district for the next 25 years, said Tim Munday, lead environmental resilience officer at the corporation.

But Munday, who has been out with his measuring tape examining the walls, says these will need to be upgraded in the years to come and made up to 50cm taller in places by 2050 and 100cm higher by 2100.

Developers of new riverside buildings are being told to build these defences now or ensure they can easily be constructed in the coming years, while owners of existing buildings along the Thames are being contacted about wall upgrades.

In some instances, the City will rise up alongside the flood defences, with the ground level increased to ensure the new higher walls do not block the view of the Thames.

Doing this work will be complicated in areas such as Queenhithe, the only surviving Anglo-Saxon dock and an endangered monument. This is where balancing the City's history and the impact of climate change would converge, said Gowman.

Elsewhere, Whittington Garden, named after the Lord Mayor of London Dick Whittington, was transformed

from "a more formal garden" to one designed "on the basis of not needing a lot of water", said Gowman. There is thyme and lamb's ear, as well as other Mediterranean plants. On Paul's Walk on the riverfront, the corporation had opted for "ultra-Mediterranean planting", she said, while giving a tour of the City. "It's not English-garden pretty," she said, but it was practical.

"Green corridors" are being introduced, where plants and trees are used to create cooler walking routes. This planting is part of efforts to deal with the urban heat island effect, where a built-up area is warmer than its surroundings. In some cases the planting had reduced air temperatures between 3-8C during heatwaves, the corporation said.

The local authority has installed 20 sensors across the City to measure temperature, pressure and humidity to understand different "micro-climates" across the Square Mile.

On one morning in June, a sensor at Walbrook Wharf was almost 1C cooler

than at Holborn Circus. It is also rolling out sensors to measure soil moisture and water entering sewers.

Surface water flooding is expected to increase, with heavily paved surfaces leaving the area at risk

Still, there are concerns that the City's buildings — especially newer glass-and-steel constructions — are exacerbating the heat effect, especially when using air conditioning to cool buildings, then pumping warm air outside. "We need to make sure anything new we build is well adapted for extreme heat," said Ward, with shutters, less glass, and painting roofs white to reflect sunlight.

Ward said there needed to be a mindset shift on building as the City heated up and an acceptance that London was becoming a warmer place. This was vital to avoid the "shocking mistakes" in developments such as the Walkie-Talkie building. A decade ago, the skyscraper had to be fitted with a sunshade after the concave design reflected sunlight on to street below, causing heat damage to cars.

In a planning document, the corporation said 56 days of heatwaves could be expected — defined as three or more consecutive days with temperatures of at least 28C — per year by 2080 compared to 14 days in 2020.

It said the City's dense and urbanised environment was at risk of extreme heat. Any new developments should "actively" contribute to reducing the heat island effect.

Ward said that all the climate adaptation measures being taken by the City were vital, even if they also came with an initial cost.

"The climate is changing and it's going to continue to get worse until the world gets to net zero emissions. But the economic case [for adaptation] could not be clearer. These are investments in making sure that the City can cope in the future."



INTERNATIONAL

Struggles to counter Kursk offensive

attempted to portray the Russian military as losing control, with soldiers posting videos of tanks and helicopters being destroyed by Ukrainian forces. The Russian defence ministry said it had destroyed tanks and equipment.

Russia has failed to push back Ukrainian troops in the Kursk region despite sending in reinforcements as the incursion enters its sixth day, Ukrainian soldiers involved in its army's operation told the Financial Times yesterday.

Speaking near the international border, the troops said they remained in Russian territory.

Russian general Valery Gerasimov

have advanced 30km inside Russia since the operation began on Tuesday, moving further into Kursk and occupying the town of Sudzha near the Russian border.

"We are going deeper," said Denys, a Ukrainian soldier who has made three rotations into Russian territory since the incursion began. Kyiv's troops still had the upper hand despite Russia

bringing in reinforcements, he added, as a Ukrainian fighter jet zoomed overhead. His unit, which the FT is not identifying at the request of Denys and his senior officers, had been rotated to the area from the eastern Donetsk region more than a week ago to take part in the offensive.

Ukraine's president Volodymyr Zelenskyy broke five days of silence on Saturday night to refer to his forces' incursion into Russia publicly for the first time.

Zelenskyy said his commander-in-chief Oleksandr Syrskyy had reported to him about "the frontline situation and on our actions to push the war out into the aggressor's territory". "Ukraine is proving that it really knows how to

restore justice and guarantees exactly the kind of pressure that is needed — pressure on the aggressor," he added.

A Ukrainian defence ministry official told the FT that they were being tight-lipped on details of the operation because they were "waiting to see how it develops first".

Russia's foreign ministry spokesperson Maria Zakharova vowed yesterday that there would be a "tough response" to the incursion.

The country's defence ministry said it "continues to repel" Ukrainian forces in the Kursk region and yesterday listed three settlements located 25km to 30km from the border — Tolpino, Zhuravli and Obschii Kolodetz — where

it said it had struck Ukrainian troops.

Russia has deployed tank crews, artillery guns and drone units to the region after the Kremlin announced a "counterterrorism" operation to try to halt the unprecedented Ukrainian operation.

The Russian defence ministry said more than a dozen Ukrainian drones and four missiles in the Kursk region had been shot down overnight on Saturday. A missile struck an apartment block in Kursk city on Saturday, injuring 13 people, its governor Alexey Smirnov said. Ukraine has not commented on the attack.

More than 76,000 civilians have been evacuated from the Kursk border region.

Khan Younis

Israel orders more Gaza evacuations after 80 killed in school raid

MEHUL SRIVASTAVA — TEL AVIV

The Israeli military has ordered tens of thousands of Palestinians to leave shelters in parts of southern Gaza, in preparation for another raid on areas from which it says Hamas fighters are operating.

The forced evacuation order of parts of Khan Younis comes as the death toll from Saturday's air strike on a school in Gaza City was confirmed to be at least 80, after original estimates of about 100.

The attack has drawn sharp criticism from Israel's allies, including EU foreign policy chief Josep Borrell, who described it as an unjustifiable "massacre".

US Democratic presidential candidate Kamala Harris said on Saturday that "far too many civilians have been killed".

Her comments came after the US State Department confirmed that \$3.5bn of funding for Israel to purchase American weapons had been approved, as part of a \$14.1bn package agreed by US Congress.

Israel has claimed, without providing evidence, that the school where hundreds of families were seeking shelter was being used as a Hamas "command and control" centre, and that 19 militants were killed.

Videos from the site showed mangled bodies after the attack, many of them children. Palestinian human rights groups have said that some of the men identified by Israel had nothing to do with Hamas.

The widening incursion into southern Gaza, including areas within the so-called humanitarian zone, is at least the third time in recent months that the Israeli military has returned to the city of Khan Younis, once a Hamas stronghold and now a devastated ruin of shattered city blocks and destroyed neighbourhoods.

The Israeli air force dropped leaflets over the Al Jalaa neighbourhood telling residents to gather their belongings and flee before the Israel Defense Forces began "to operate against the [militant] organisations in the area", according to an IDF statement.

Nearly all of Gaza's 2.3mn population has been displaced, some several times, as the Israeli military operates in various parts of the territory. Videos posted online showed children carrying jerrycans of water and long columns of families trudging through devastated streets.

The new raid came as Israeli Prime Minister Benjamin Netanyahu delays any political strategy to bring order to the besieged enclave after 10 months of war.

The IDF launched air and land offensives in Gaza in response to Hamas's October 7 cross-border assault in southern Israel. Hamas killed more than 1,200 people during the attack and seized about 250 hostages, according to Israeli officials, who say around 100 hostages are still in captivity.

The death toll in Gaza is nearing 40,000, most of them women and children, according to local health officials.

The US, Egypt and Qatar have called for Israel and Hamas to agree to a hostage swap deal that could usher in at least a brief ceasefire, or a permanent end to hostilities.

Sport. Home advantages

France earns its best medals tally at Olympics

Host nation emulated others with bigger budgets and a focus on promising sports

LEILA ABOUD AND SARA GERMANO — PARIS
JOHN BURN-MURDOCH — LONDON

Three white-suited BMX riders embraced and screamed after crossing the finish line split seconds apart to sweep the gold, silver and bronze medals in the same event — a joyous achievement for the host nation of France.

"We had a magical moment, all together, with the French public and we managed to do something exceptional," said the gold medal winner Joris Daudet, celebrating success alongside his two friends and fellow BMX bikers, Sylvain André and Romain Mahieu.

Driven by the desire to win in front of a home crowd, France snagged 64 medals, including 16 golds, during the games that ended yesterday with a closing ceremony at 9pm local time.

That more than doubled its tally of 30 in Tokyo 2020 and was better than the 42 it achieved at Rio 2016, the 32 at London 2012 and the 43 at Beijing 2008 — France's previous highest total in the modern Olympics era.

France finished in fourth place in terms of overall medals and fifth place when weighted for golds, just ahead of the Netherlands and Great Britain on that measure.

France's outperformance is typical of host nations, which benefit not only from home advantage but also from intensified training and bigger budgets years before the competition.

In one of the most successful campaigns, the UK boosted training budgets for a decade ahead of London 2012, resulting in a surge in the medal table to third, behind traditional powerhouses the US and China.

France also overhauled the way it manages its top athletes by adopting a top-down, national approach inspired by the UK.

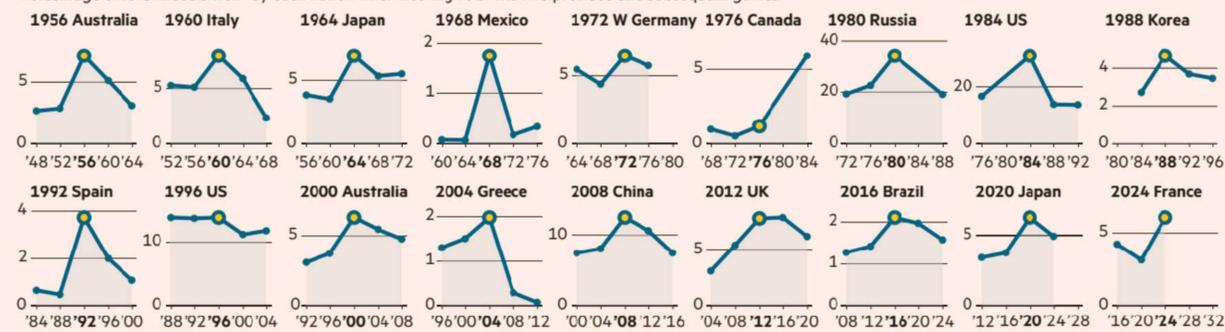
The new Agence Nationale du Sport was created and funded with €110mn on top of the usual state funding so as to centralise expertise on everything from nutrition to data analytics.

Founded in 2019, the ANS is led by Claude Onesta, a gruff and accomplished former handball coach.

Onesta directed extra money to feder-

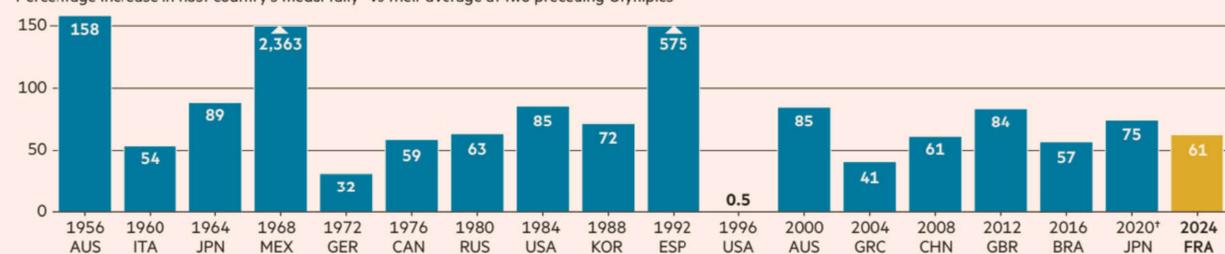
Countries almost always win more Olympic medals when they are hosting the games

Percentage of total medals won* by each nation when hosting vs at the two previous and subsequent games



French athletes have won 61% cent more medals this year than in 2020* and 2016, slightly bigger than the typical host nation boost

Percentage increase in host country's medal tally* vs their average at two preceding Olympics



*Tokyo 2020 Games took place in 2021 due to Covid pandemic
*Share of medals won in each Olympics, weighted such that gold = 5, silver = 3, bronze = 1
Source: FT analysis of medals tables

"We had a magical moment, all together, with the French public and managed to do something exceptional"

ations with the greatest medal potential and then held them accountable for athletes' results.

The move was controversial in France, though Onesta did not dare go as far as the UK, which cuts off cash altogether to weaker sports.

The approach has paid off. Onesta described the games as "an exceptional achievement" for French athletes.

Competitors in sports traditionally strong for France, such as fencing, judo and cycling, did well.

Léon Marchand, the 22-year old swimmer, became the breakout star in Paris by winning four gold medals — an unprecedented feat for a French competitor at a single Olympics.

Teddy Riner, an experienced "judoka" and fan favourite, prevailed yet again in his fifth Olympics to win the individual gold in his category and then lead the judo team to gold.

Team sports, including men's rugby sevens and volleyball, also delivered gold while men's football earned silver after the team lost to Spain in the final.

The men's basketball team also won silver on Saturday but was outclassed by a US team filled with NBA stars such as Stephen Curry, whose run of three-pointers in the closing minutes left French rookie star Victor Wembanyama in tears after the buzzer.

Some French athletes appeared to crack under the pressure of competing before raucous home crowds. Two women judoka who were targeting gold medals won bronze instead.

"Some suffered under the heavy expectations," Onesta admitted yesterday. Fifteen finals were lost, leaving the athletes with silver instead of gold — a lower conversion rate than other big sporting nations, he added.

The US and China stood atop the weighted rankings with 40 gold medals each, followed by Japan and Australia.

Coming home with 90 medals in total, China shone brightest in the pool where it won 12 medals, including gold and a world record for Pan Zhanle in the men's 100-metre freestyle. It also racked up 11 medals in diving and 10 in shooting.

€110mn
Sum on top of usual state funding for France's Agence Nationale du Sport

40
China's tally of gold was equal to that of the US, which won 126 medals in total

The Americans won 126 medals, driven by an exceptional showing in athletics with 34 medals overall and 14 golds, including those won by sprinters Noah Lyles, Gabby Thomas and the women's dominant 4 x 100 metre relay team. The US swimming team collected 28 medals, albeit just eight golds.

Team GB won 65 medals and 14 golds, including three in rowing and two in cycling.

Despite scepticism ahead of the Olympics, as well as security and logistics concerns, French fans were converted to fervent enthusiasm as soon as the rain-soaked opening ceremony on the river Seine began.

"At the beginning, we were quite anxious about the Games in Paris," said Géraud Taurand, an engineer living in the capital.

"But it's amazing, we are seeing a beautiful Games, the athletes are really incredible and [every time] we win a medal it's like, 'oh yeah, we are still in the top podium of all the countries around the world'."

Prisoner exchange

Freed Kremlin critic speaks of Putin's 'bloody misadventure'

POLINA IVANOVA — BERLIN

Kremlin critic Ilya Yashin who was part of last week's historic prisoner exchange has said Ukraine's counter-offensive into Russia is a "terrible" direct result of Vladimir Putin's war.

Moscow declared a state of emergency in two of its regions after Kyiv launched the largest cross-border attack since Russia's president ordered the full-scale invasion of Ukraine in 2022.

"From the first day of the war I have said that Putin will inevitably bring death and destruction to Russian territory too and our country will have to pay a high price for his bloody misadventure," Yashin said this week in Berlin, where he is located after being transported with more than a dozen prisoners released from Russia.

Yashin was part of the biggest exchange of its kind since the cold war and included the Wall Street Journal reporter Evan Gershkovich, as well as two German citizens.

The Russian dissident, who was sentenced in December 2022 to eight-and-a-half years in prison for his anti-war statements, said he was forced into the

swap against his will. He believes his role as a politician meant remaining in Russia whatever the personal cost.

But now that he has been released, he told the Financial Times he hoped to continue influencing public opinion through his political work from abroad.

Yashin said he believed Ukraine must achieve its aim of forcing Russia to withdraw forces from its territory, and that a defeat for Putin on the battlefield would be a victory for Russia as a whole.

"As far as I know, Ukraine does not intend to annex any Russian territories. Ukraine is demanding the withdrawal of Russian troops. I do not see that as a defeat for Russia. I see it as an absolutely justified and just demand," Yashin said.

Ukrainian officials and military analysts have said the aim of the offensive in the Russian border regions of Kursk and Lipetsk was to divert Moscow's troops from eastern Ukraine, rather than capture territory. Opposing the war was the only "patriotic" option for Russian politicians, Yashin said, because the invasion was so detrimental for the country.

"The war is not just a tragedy for Ukraine, it's also a catastrophe for Russia," he said. "It's a war that goes against

the national interests of our country, that poses a danger to society, to economic stability, to the safety of our borders."

Speaking to cellmates and guards in prison, Yashin found many agreed with his views. "I tested this in practice," he said. "I spoke to prison guards, to people who had fought in the war, to those who planned to go and fight. The argument that this war is harmful for Russia was very easy to make to all of them."

Yashin called on western leaders to maintain their support of Ukraine, not just for its survival, but also for Russia to

be able to have a democratic future. "If you want to help the Russian opposition, you need to save Ukraine. Because if Putin destroys Ukraine as an independent state... it will lead to a strengthening of his position and a hardening of the regime inside Russia."

"It's a question of life or death not only for Ukraine but also for a free Russia."

He also called for more individual sanctions on those responsible for the war. "Currently, there are only around 2,000 people on those sanctions lists. That's a drop in the ocean. There should be 20,000 people on that list," Yashin said. At the same time, he underscored that he viewed the majority of people living inside Russia as "hostages" of the regime. Though not comparable to the trauma experienced by Ukrainians, he said it was important to consider the Kremlin's oppression of its people.

"What the state is doing to public opinion in Russia is the most real form of violence," Yashin said, arguing that the regime's propaganda has been instilled deep within society. "When change does come to Russia, the main thing Russian society will need is psychotherapy."



Dissident Ilya Yashin plans to oppose the regime from abroad

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INTERNATIONAL

Data infringement

Trump campaign blames Tehran for hack

Breach coincided with former leader selecting Vance as running mate

FELICIA SCHWARTZ — WASHINGTON

Donald Trump's campaign has said that a number of its internal emails have been hacked, blaming Iran for the breach and charging Tehran with seeking to "interfere with the 2024 election and sow chaos throughout our democratic process".

The former president's campaign officials did not provide any direct evidence for the claim but cited a recent Micro-

soft report that found Iranian hackers had broken into the email account of a high-ranking official on the US presidential campaign as well as recent warnings of threats by Tehran to Trump's life.

"These documents were obtained illegally from foreign sources hostile to the United States, intended to interfere with the 2024 election and sow chaos throughout our Democratic process," said Trump campaign spokesperson Steven Cheung.

He added: "The Iranians know that President Trump will stop their reign of terror just like he did in his first four years in the White House."

The former president's camp dis-

closed the hack after the Politico news site said it had been sent emails from an anonymous account containing documents from the campaign. The extent of the breach remains unclear. Politico

"These documents were obtained illegally from foreign sources hostile to the United States"

said it began receiving emails in late July, including internal campaign communications and a dossier on Trump's running mate, Ohio Senator J.D. Vance.

In a report issued on Friday Microsoft said a group run by the Islamic Revolutionary Guard Corps breached the account of a "high-ranking official of a presidential campaign" with a spear-phishing email. The Trump campaign noted this coincided "with the close timing of President Trump's selection of a vice presidential nominee".

The US intelligence community has issued repeated warnings about Iran's increasingly aggressive foreign influence efforts. Avril Haines, the US director of national intelligence, said in July that Tehran had sought to undermine confidence in US democratic institutions, in particular by stoking and fund-

ing ongoing protests against the Israel-Hamas war. The hack comes against a backdrop of heightened tensions in the Middle East as the US and its allies work to prevent all out war in the region after Israel's assassination of top Hamas and Hizbollah officials in Tehran and Beirut late last month.

During his presidency Trump pulled the US out of the 2015 nuclear deal with Iran, triggering a crisis in relations with the Islamic state that the Biden administration has quietly sought to repair by pursuing back-channel talks aimed at calming tensions. Trump has signalled he would again take a hard line towards Iran should he return to office.

Proposed cabinet

Iran president hands foreign ministry brief to pragmatist

NAJMEH BOZORGMEHR — TEHRAN

Iran's reformist President Masoud Pezeshkian has nominated a former nuclear negotiator as foreign minister to his proposed cabinet as he faces the dual challenge of resuming talks with western powers about sanctions relief while managing a potential confrontation with Israel.

Abbas Araghchi, a diplomat who played a role in the 2015 nuclear accord negotiations, had been sidelined by hardliners in recent years.

Western diplomats in Tehran and Iran's business community welcomed Araghchi's selection, presented to parliament yesterday along with 18 other cabinet nominations. It was a sign that the country might take a more pragmatic line in its nuclear stand-off with the west in the hope of securing sanctions relief, they said.

But there are growing concerns that Tehran is on a collision course with Israel as Iranian leaders have vowed to respond to the suspected Israeli assassination of Hamas's political leader Ismail Haniyeh in Tehran last month.

A western diplomat in Tehran highlighted the difficulties of dealing with outgoing hardline officials, saying Araghchi would "make a lot of difference" on routine matters. But the diplomat added that his appointment might not signify a big shift in foreign policy, with key decisions determined by Ayatollah Ali Khamenei, the supreme leader, and the Revolutionary Guards.

The administration faced an immediate crisis after Haniyeh's assassination on July 31, hours after he attended Pezeshkian's inauguration, dealing a blow to the country's prestige.

Pezeshkian, the country's first reformist president in two decades, backed Tehran's right to respond to an attack that Iran claimed was carried out by Israel using a short-range projectile.

Pezeshkian, who unexpectedly won a snap election after the death of former president Ebrahim Raisi in a helicopter crash in May, secured his victory in last month's run-off against a hardliner.

He has said that Iran's economy — hampered by currency depreciation, stagnation and years of about 40 per cent inflation — cannot recover while US sanctions on the country's nuclear programme remain in place. Pezeshkian also promised to ease social restrictions on women, reduce internet censorship, and improve representation of ethnic and religious minorities, as well as youth, in his government.

Pezeshkian has nominated Farzaneh Sadegh, an architect, as his only female candidate. If approved by parliament, she would lead the Ministry of Roads and Urban Development and become only the second female minister in the country's history.

No cabinet nominations were from the Sunni religious minority, disappointing reformists who had hoped for broader inclusivity. Their exclusion underscores resistance in the Shia-dominated theocracy.

"We are not hopeless but upset with this level of discrimination and being ignored," said a Kurdish cultural activist. "Everybody knows that the votes of Sunnis and ethnic minorities helped Pezeshkian to win, but this is not reflected in the cabinet's choices."

Pezeshkian retained the head of the Atomic Energy Organization of Iran and the intelligence minister from the previous hardline government.

Presidential race. Headwinds

Harris risks economic comedown from 'sugar high'

Team cannot count on benign conditions going into election despite rebound for equities

JAMES POLITI — DETROIT

Jesse Kozora was proudly wearing a blue Kamala Harris campaign sticker on his red United Auto Workers union shirt at the vice-president's rally in Detroit last week.

The 42-year-old General Motors employee thinks Harris will beat Donald Trump in November's election, but he is worried about the US economy after this week's stock market volatility and the high cost of living.

"I believe that it's going to crash and it might even crash before the elections," Kozora said, adding that inflation was having a big impact on everyday life. "More and more people are picking and choosing what they're willing to purchase," he said.

Although equity markets have rebounded after plunging this week on the back of financial upheaval in Japan and weak US labour market data, Kozora's worries are a reminder that Harris may not be able to count on a benign economic environment heading into the November election.

Kevin Madden, a Republican strategist at consultancy Penta Group and former adviser to Mitt Romney's 2012 campaign, said Harris was still on a "sugar high" after launching her bid last month but that economic issues would soon return to the fore.

"This is still a race where the fundamentals, such as views about the economy and the direction of the country, present headwinds for the incumbent," he said. "The challenge for Harris going forward will be shedding that incumbency label and distinguishing her views on tackling inflation and a softening labour market."

Harris is already facing an onslaught of criticism from her opponents over how the cost of living has soared during the Biden administration, even though inflation has declined steadily since hitting a cyclical peak of 9.1 per cent in June 2022. A faltering labour market or a sustained drop in equity markets would be a much more difficult set of economic circumstances for Harris and her advisers to manage.

She has bolstered her team by bringing in Brian Nelson, a Treasury department official, as head of policy, and Gene Sperling, a White House adviser to presidents Joe Biden, Barack Obama and Bill Clinton, to help on



Kamala Harris greets a member of the audience at a rally at United Auto Workers Local 900 in Wayne, Michigan

Andrew Harnik/Getty Images

economic issues. While she has yet to comment on the weak US jobs numbers or the stock market turmoil, the Biden administration has already weathered warnings of economic bad news that did not come to pass.

White House officials insist that they have been "very mindful when it comes to the stock market", with press secretary Karine Jean-Pierre saying on Wednesday that "while there's been some volatility, our economy is indeed resilient".

Harris has acknowledged the high cost of living that US families are grappling with. "Look, while our economy is doing well by many measures, prices for everyday things like groceries are still too high. You know it, and I know it," she said during her rally in Michigan.

She has focused her campaign message on defending the "middle class" from rising costs and bolstering the social safety net, while criticising Trump's plans for new tax cuts for big companies and wealthy households for

being self-interested. "Trump weakens our economy to strengthen his own hand," Harris's running mate Tim Walz said during a rally in Philadelphia.

Although Trump has used the market turmoil and cooling jobs market to attack the Democrats — he told Fox News this week that "inflation has destroyed their administration, and they have no idea what to do about it . . . you had a crash the other day of over a thousand points" — Madden says the former president's message on the economy is scattered and undisciplined.

"The good news for Harris, so far, is that Trump has focused his initial contrast message less on the economy and more on culture and identity issues," he said.

Some economists have warned that Trump's plans, including broad tax cuts, sweeping tariffs and immigration curbs, would push up inflation.

Moody's Analytics has projected that if Trump wins and Republicans control both houses of Congress, consumer price inflation would rise from 3 per

'Prices for everyday things like groceries are still too high. You know it, and I know it'

cent in 2024 to 3.6 per cent in 2025, and there would be a mild recession.

But some Democrats remain worried about the economy and have criticised the Federal Reserve for waiting too long to cut its main rate from its current level between 5.25 and 5.5 per cent, although the White House has defended the independence of the central bank.

"What you have is a clearly slowing labour market where the Fed is behind the curve," says Bharat Ramamurti, a former senior White House economic official during the Biden administration. "The solution is for the Fed to act."

The central bank has signalled that it may start cutting rates at its next meeting in September, which could offer some respite to the labour market and signal some good news ahead of the November vote. Even before then, the rally in bond markets has brought down mortgage rates.

But back in Michigan, while Kozora is confident his job at GM is secure, he is less certain about the economy. "It's shaky," he says.

IMF loan

Military's backing gives Sharif the edge in pushing painful economic reforms on Pakistan

HUMZA JILANI AND FARHAN BOKHARI — ISLAMABAD
BENJAMIN PARKIN — NEW DELHI
JANINA CONBOYE — LONDON

Pakistan Prime Minister Shehbaz Sharif has one advantage over his predecessors as he tries to turn around a stricken economy — the all-powerful military's desire for change.

Sharif, whose administration secured a much-needed \$7bn loan from the IMF last month, has promised painful reforms, such as strengthening tax collection and raising household energy tariffs by a fifth.

Previous governments have made and recanted similar pledges in the face of public opposition. But Pakistan's military has thrown its weight behind the deal, according to government officials, diplomats and analysts, fearing that prolonging the economic crisis would deepen instability and threaten its own considerable financial interests.

Islamabad teetered on the brink of default last year, as dwindling foreign reserves and import restrictions

sparked shortages of vital commodities. Inflation soared to 38 per cent, stoking widespread public anger.

"The army is backing the IMF programme as they want Pakistan to avoid a default at all costs," said a senior government official, who requested anonymity. "They consider themselves the main guarantor of Pakistan's policies as they realise that the politicians with their history of previous failures will not be able to stabilise the economy."

Pakistan has a mixed record with the IMF. The country has been forced to go to the multilateral lender two dozen times, and serial governments — including Sharif's previous administration — have abandoned its prescriptions, ditching out energy subsidies or artificially propping up the currency. This time, Sharif has vowed to quit rather than backtrack on reforms. His government is, however, "not a popular one", said Bilal Gilani, executive director of pollster Gallup Pakistan, which is unaffiliated with the international pollster.

His administration's mandate began

on shaky ground, having come second in a February election in which candidates loyal to jailed former prime minister Imran Khan won the most seats but were blocked from power.

As a result, Sharif has not had time to build public support for reforms. Islamabad has unveiled a tax-heavy budget that aims to raise Rs13tn (\$46.6bn) by next July, a roughly 40 per cent increase from the current financial year. Authorities have also said they will expand the tax net — which at about 10 per cent is among the lowest in Asia — to more of the agricultural sector, which could trigger a confrontation with the politically powerful farm lobby.

The support of the military, which ruled Pakistan for half its post-independence history, could help his government stay on track and break the cycle of fiscal mismanagement, soaring inflation and spiralling government debt, observers said.

Muhammad Aurangzeb, the finance minister, told the Financial Times that Islamabad had "no choice but to follow

through" on reforms to the tax code, energy sector and loss-making state-owned enterprises. "As a country, our hand has been forced," he said.

Ahsan Iqbal, Pakistan's planning minister, expressed confidence that the "co-operation between civil and our military institutions" would assuage Beijing and other creditors' concerns about



The army fears that a prolonged crisis will threaten its interests

political uncertainty and a deteriorating security situation, pointing to army chief General Asim Munir's presence on an investment promotion council, an atypical role for a military officer.

"If even political governments change . . . it [the military] provides some strong anchor of continuity," Iqbal said. Army officers were tapped last week to lead committees tasked with overhauling the power sector and the tax agency.

"They stood at the knife's edge last year," said a western diplomat. "Both the Sharif government and the military seem serious about making some hard decisions to . . . keep things from getting that bad again."

But the military's ambition for fiscal reform may be limited, analysts and diplomats warned. The UN Development Programme in 2021 described the sprawling networks of army-controlled real estate, food, energy and fertiliser companies as the country's "largest conglomerate of business entities". The new tax code preserved exemptions on prop-

erty sales by military- and bureaucracy-linked entities, and defence spending is still rising despite paltry public finances, stoking public outrage.

The government has also continued to suppress Khan's Pakistan Tehreek-e-Insaf party, raiding the party's headquarters, arresting officials and threatening treason charges.

Sharif's party "believes its survival depends on the PTI's failure," said Madiha Afzal, a fellow at the Brookings Institution in Washington. "It has focused all its energies on repressing PTI, and hoping for Khan and the party's popular support to wane."

For now, the military's backing — and Khan's continued detention — has limited organised resistance, said Adeel Malik, a professor at the University of Oxford. But with most of the tax increases set to fall on the salaried middle classes, "who already comply with the tax regime", he said, "there will eventually be a point where they look for ways to stop complying or take to the streets and protest".

INTERNATIONAL

US unveils tools to foil computer hackers of the quantum future

Safeguards will protect data against code-cracking power of new machines

MICHAEL PEEL — LONDON

The quest to shield the world's digital data from attacks by next-generation quantum computers is about to pass a critical milestone, as US authorities unveil a suite of protection tools.

The National Institute of Standards and Technology is poised to publish three approved security algorithms that governments and companies can use to safeguard information from the emerging threat of quantum hacking.

Nist's action is part of a gathering revolution in cryptography in response to fears that quantum computers will one day be able to crack codes protecting sensitive data that have for decades proved unbreakable by less powerful traditional machines. Encrypted data is essential to the functioning of modern societies in the digital age — and keeping it secure is essential to individuals, companies and governments.

"It will be massive and expensive," Dustin Moody, leader of Nist's post-quantum cryptography standardisation process, said of the looming security change.

Nist, part of the US commerce department, is awaiting sign-off of the trio of standards, which it put out for comment last year. The algorithms are part of wider Nist preparations for the era of post-quantum cryptography, involving input from leading tech companies, banks and other businesses and researchers.

US federal agencies will be required to use the new algorithms. While there is

no obligation on private companies to do the same, many organisations in the US and elsewhere have in the past followed Nist's lead on cryptography.

Quantum computers have revolutionary potential because of their extra power to crunch numbers. While standard machines use binary bits that exist in either one of the states 0 or 1, the "qubits" of their quantum counterparts can be in both states simultaneously. This means they can do some tasks — such as searching for ways to unlock long-standing data protection methods — exponentially quicker.

Quantum computers are still far from commercialisation because their qubits only hold their quantum states for very short periods, introducing errors, or "noise", into calculations.

US mathematician Peter Shor showed 30 years ago on a theoretical level that quantum computers with a sufficient number of stable qubits could crack the maths problems underlying traditional cryptography. Such machines do not exist yet — but technological advances raise the prospect that this moment, known as Q-day, will be reached.

Nist's work is at the forefront of preparations for Q-day. It received submissions from researchers in more than 30 countries on six continents, reflecting a common interest in combating cyberterrorism and extortion. Scientists from China have participated in the Nist process, though Beijing is also thought to be working on its own cryptography rules for the quantum computing era.

The Nist standards would be "some-



IBM's Quantum System One computer is launched at the company's Bromont facility in Quebec in September
Andrey Ivanov/Bloomberg

thing of a catalyst for people to leap into action", said Lory Thorpe, an IBM executive who works with clients on quantum safety. "For some industries this isn't something that enterprises do by themselves," Thorpe said. "So it's going to require a level of co-ordination, particularly around the standards."

Some businesses have already started to move, while others may be more likely to consider a move after seeing the impact of last month's global IT outage. In February, Apple declared it had secured its iMessage system with a "groundbreaking post-quantum cryptographic protocol".

By contrast, other industries — and many smaller companies — are less advanced. Businesses dealing with supply chain logistics are among those that most need to focus on the change, observers say. One difficulty in encouraging the shift to new cryptographic methods is that there is no specific deadline attached to the quantum computing threat. It may at first glance appear less pressing than previous time-

specific IT hazards, such as the "millennium bug".

Yet experts say the menace is already here. Hackers are able to take a "harvest now, decrypt later" approach, meaning they can steal data today and then store it until the quantum computing technology that can crack it is developed.

The publication of the Nist standards will further fuel debate about the best types of next-generation cryptography. While the new algorithms use classical computer methods of encryption, some researchers are developing ways to harness the awesome power of quantum mechanics as a defensive tool.

This idea, known as quantum key distribution, exploits a phenomenon known as quantum entanglement. This refers to the way that the characteristics of two subatomic particles can be related, even if they are separated by a vast distance. By measuring data from one particle, you can infer information from the other, allowing the pair to serve as keys to exchange coded messages.

Experts say the menace is already here, with hackers able to take a 'harvest now, decrypt later' approach

A big advantage of the technique is that if someone attempts to eavesdrop on such communications, the disruption to the system will warn the two parties they are being spied on.

On the other hand, the technology has an important potential security downside. While the quantum element of the communication is secure, the equipment used to transmit and relay it is not.

Experts say next-generation cryptography will probably involve a mixture of classical and quantum techniques which best fits uses and users. The quantum key distribution method is likely to be suited to parties that trust each other, communicate often and have tight control over the physical infrastructure they use.

The finalisation of Nist's algorithms will be a defining moment in global preparations for cryptography's new era. It should trigger a response from people who have so far "stood on the sidelines", said Luke Ibbetson, head of research and development at UK telecoms company Vodafone.

FT FINANCIAL TIMES

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Companies & Markets

Large western businesses fret over sluggish China demand

- ◆ Slowing economy takes toll on sales
- ◆ Appetite for foreign brands shrinks

FT REPORTERS

Businesses from Volkswagen to AB InBev and L'Oréal have sounded the alarm about demand in China, with the effects of a slowing economy exacerbated by shrinking appetite for foreign brands and intensifying domestic competition.

In results last week, London-listed advertising group WPP cited a near one-quarter drop in Chinese sales in the past three months, a poor outlook in the country and signs of consumer caution.

"People expected China to turn a sharper corner after Covid than it has," said WPP chief executive Mark Read.

Domestic competition is sharper while consumers are shifting towards more value-for-money products

Weak demand in China has been a feature of half-year earnings across much of the consumer goods sector.

L'Oréal, which sells luxury and mass-market beauty products in China, estimated that sales growth in the country fell 2 per cent to 3 per cent in the first half of the year while VW-owned Porsche said Chinese sales in the six months to June had dropped a third on the previous year.

China's heavily indebted real estate industry has been in a prolonged slowdown since late 2021 with house prices falling more rapidly in recent months.

Despite the relaxation of strict Covid-19 controls in late 2022, the weak property market has sapped confidence as well as demand for consumer goods.

After the pandemic, many businesses exposed to China – local and overseas – expected consumer-focused stimulus to boost growth.

While that has not happened, econo-

mists believe Beijing might take such measures if Donald Trump is re-elected.

Fitch Ratings analysts pointed to data showing that growth in China's catering sector in the first half of this year, down 8 per cent for the first time since 2010, excluding the Covid period.

"Uncertainty surrounding disposable income prospects, combined with further shrinkage of household wealth due to falling housing prices, has led to a reduction in non-essential expenditure or a shift towards value-for-money product," the Fitch analysts said.

While China remains a growth market for many multinational companies, in some sectors such as cars they face a big threat from domestic rivals.

Amid a rapid shift towards electric vehicles, overseas brands accounted for 38 per cent of passenger vehicle sales in China in the first half of this year, down from 64 per cent in 2020, according to Shanghai consultancy Automobility.

German carmakers in particular have been squeezed by slowing sales in China, their most important market.

Porsche and VW chief executive Oliver Blume said it was still unclear whether demand for electric sports cars such as the Porsche Taycan would pick up.

Mercedes-Benz, which in recent years has shifted focus to more expensive models, sold 9 per cent fewer cars in China in the first half compared with the same period last year.

Chief executive Ola Källenius said the luxury goods market in the country was cooling, which he blamed partly on the real estate crisis.

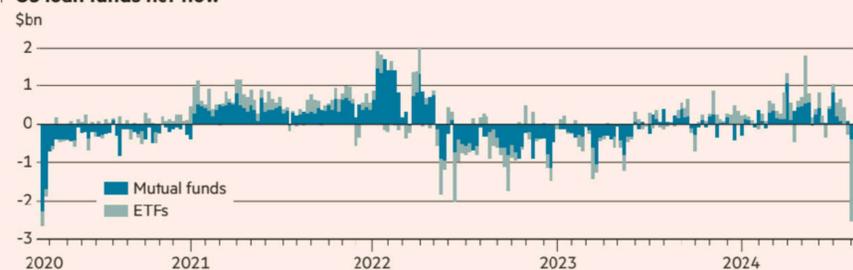
Drinks group Anheuser-Busch InBev blamed a 15 per cent hit to Chinese sales in the second quarter on weak consumer demand and bad weather in some parts of the country.

Reporting by Edward White, Thomas Hale, Madeline Speed, Daniel Thomas, Claire Jones and Patricia Nilsson

Exit wound US junk loan funds hit by biggest outflows in four years amid economic worries



US loan funds net flow



HARRIET CLARFELT — NEW YORK

US junk loan funds suffered their biggest outflows since early 2020 during the recent plunge in markets, as investors fretted over the impact of a potential economic slowdown on highly indebted companies.

Investors pulled \$2.5bn out of funds that invest in junk, or leveraged, loans during the week to August 7, according to data from flow tracker EPFR, with the withdrawals concentrated in exchange-traded funds.

The outflows come after weaker-than-expected US jobs data at the start of August reawakened fears of a US recession, which would be likely to hurt lower-quality borrowers.

That prompted investors to dial up their expectations of rate cuts, with markets pricing in four quarter-point reductions by the end of December compared with two last month.

Leveraged loans are issued by low-grade companies with large debt piles and have floating interest payments, meaning that, unlike fixed-rate bonds, the coupons they pay to investors move up and down with rates.

John McClain, portfolio manager at Brandywine Global Investment Management, pointed to "meaningfully lower demand for floating-rate securities" if the market was correct about rates being cut sharply. "Additionally we'd be getting the cuts as a result of an economic slowdown, which is bad for lower credit quality – a double whammy for the asset class."

The \$1.3tn loan market is widely perceived to have weaker credit quality overall than its counterpart in the leveraged finance world – the similarly sized high-yield bond market – making it more vulnerable in a recession scenario.

A Morningstar LSTA index of US leveraged loan prices last week fell to its lowest level of 2024 as the sell-off in risky assets intensified, though it has retraced some of those losses. McClain said the reaction to July's weak non-farm payrolls data was overdone and could present an opportunity to increase exposure to the asset class for those who expect "slow and shallow cuts" by the Fed.

More than 80 per cent of the loan fund outflows tracked by EPFR

stemmed from ETFs. The weekly ETF outflows were at their highest on record, according to EPFR. But while falling yields might render the class less attractive, lower rates should also help heavily indebted groups, said analysts. "There is a silver lining to rate cuts," said Neha Khoda at BofA Securities. "While the appeal of loans as an asset class decreases, with a declining rate trajectory... the pressure for the lower-rated [borrowers] to meet higher interest costs also decreases, and that actually is beneficial for projected defaults."

Greg Peters, co-chief investment officer of PGIM Fixed Income, said a possible drop in rates "does on the margin help these companies out fundamentally".

But Khoda said that if the economic outlook worsened substantially, this could affect the whole of the leveraged finance industry. "If the trajectory of economic growth changes materially like it did on payrolls Friday... then it's not a question of floating to fixed, it becomes a question of outflows from riskier parts of the credit market into safer havens."

Viagogo in early race for ticket reseller spot at 2028 Olympics

ERI SUGIURA AND SAMUEL AGINI
LONDON

Viagogo is pushing the organisers of the 2028 Los Angeles Olympics for a role as an official ticket reseller even before the Paris Games has finished.

Its potential participation in the largest sporting event comes after the Paris Olympics, which was to hold its closing ceremony yesterday, initially faced concerns that a jump in tickets available for resale ahead of the competition would result in empty seats.

LA-based ticketing company AXS and German peer Eventim said in February that they had been appointed the official ticketing service provider for LA28, making their online platforms available for the global distribution of Games tickets. The tickets will also be sold through LA28's own website.

While the companies will be responsible for initial ticket sales, global managing director of Viagogo Cris Miller said the organisers were "talking to us and other secondary marketplaces to help them with resale".

He believes the LA28 Olympic & Paralympic Games will be "a lot different" from Paris as the US is "much more commercially motivated".

Miller told the Financial Times: "We're actually in active conversations with [the LA Olympics committee] about providing our service, along with other ticketing companies, to try to participate and help. The last thing that LA wants is empty seats."

He added that the organisers "know that there is going to be a very important resale market for the Olympics".

The LA 2028 Olympics Committee declined to comment on ticket provision. "We have not released details on our secondary ticketing approach or potential partners," it said.

The FT reported days before the Paris opening ceremony that the number of unwanted tickets available for resale had risen to more than 270,000, up from about 180,000 a month earlier.

Miller criticised the French Olympic Committee and the International Olympic Committee for the way they had controlled ticketing with restrictions that "disincentivise people to buy tickets".

The IOC, which declined to comment on "a third-party ticket reseller's remarks to the FT", said Paris had set a record in terms of ticket sales.

Food & beverage. Trading woes

Australian wine sector suffers from shift upmarket

Well-known commercial labels are being sold off as drinkers shun cheaper brands

NIC FILDES — SYDNEY
MADELEINE SPEED — LONDON

Things got so bad in the Australian wine industry in the 1980s that to stay afloat the Calabria family of winemakers had to put its main business on hold and focus on washing bottles for reuse by bigger producers.

But with global consumers turning away from the lower-priced "commercial" brands that later drove Australia's emergence as a wine powerhouse, things are even tougher now, according to Andrew Calabria, head of sales at Calabria Family Wines.

"Three years ago, the industry was in the best position it has been in. Now it's the worst it's been," he said.

The woes of the sector, which employs more than 160,000 full and part-time workers, have prompted an exodus of established operators.

Treasury Wine Estates, Australia's largest wine producer and the maker of some of the best-known labels on UK supermarket shelves, including Wolf Blass and Blossom Hill, announced this week that it would sell its commercial wines division with a A\$290mn (US\$189mn) writedown.

It was the latest in a series of deals involving Australian wine.

A consortium led by private equity group Bain Capital in February took control of Australia's second-largest wine producer, Accolade Wines – owner of brands including Hardys and Banrock Station – after the Carlyle-owned company struggled to pay down

debt. In July, Bain also led the acquisition of French group Pernod Ricard's Australian wine portfolio in order to merge it with Accolade.

Many producers' woes began when China put punitive tariffs on Australian fine wine in 2020, causing the collapse of what had been the country's most lucrative export market.

Sales to China surged since the tariffs were lifted in March but few in the industry expect them to recover to the previous A\$1.2bn a year – a level more than double the value of exports to the US or UK, the next biggest markets for Australian wine.

Globally, wine consumption has also been declining. UK per capita wine consumption peaked in 2009, except for a temporary boost during the coronavirus pandemic, with British drinkers now consuming 14 per cent less than they did in 2000.

Some of the world's largest alcohol companies are shifting from the commercial end of the wine market – brands that retail for less than \$10 a bottle – towards higher-margin and faster-growing segments, such as spirits and premium wine.

For many producers in Australia, the exodus has echoes of the 1980s. Vineyards have been dug up to make way for planting almonds, table grapes and other crops. Industry bodies are in talks with the government to help more cash-strapped growers convert their vineyards.

In some of Australia's biggest markets, consumers are focusing more on health and wellbeing while demand for the cheaper "big reds" that commercial growers produce is declining.

"People are drinking less but buying a better bottle," said Lee McLean, chief executive of the Australian Grape and

Wine trade body. "The reality is biting in Australia. We are in a global oversupply situation. This is a crucial moment in the industry."

Trevor Stirling, an analyst at Bernstein, said winemakers globally had been forced to cut prices to remain competitive. "Wines that were once upon a time considered premium are now seen as mainstream," he said. "The only bit of

"Three years ago, the industry was in the best position it has been in. Now it's the worst it's been"

the wine industry in the world making money is rosé and upmarket wines."

Despite selling off the bulk of its wine brands, Pernod Ricard held on to its Château Sainte Marguerite en Provence rosé, which it bought in 2022.

Luxury group LVMH has also doubled down on rosé with the acquisition of Château Minuty in 2023 after buying



People are drinking less in general and buying better-quality wines

Château Galoupet in 2019. Other large producers are concentrating on premium and luxury wines with TWE focusing on its successful Penfolds brand and buying high-end US names.

"There is an inherent contradiction in the wine industry," said Bernstein's Stirling. "The sweet spot is if you can create scale with a premium business. But that is difficult, particularly in a world where being knowledgeable and a connoisseur means you reject big brands."

Andrew Caillard, a wine auctioneer and author of a history of Australian wine, welcomed the shift from high volume and commercial brands that had been "sold down every rabbit hole".

He said a 1980s sketch by comedy group Monty Python that described the unpleasant features of fictitious Australian wines such as "Hobart Muddy" and "Château Chunder" was the "worst thing to happen" to the country's viticulture because it made many Europeans look down on its premium wines.

Australia's 1990s commercial wine boom had changed the industry for the worse and emulating successful premium brands such as Penfolds was a better strategy, Caillard said.

"The Australian industry is shrinking to glory," he said.

But Calabria said his family business would continue its strategy of owning both commercial and premium brands, believing it was important not to second-guess the market.

Industry-wide sales of boxed wine – known as "goon bags" in Australia – had risen in recent months as drinkers tightened their belts during a cost of living crisis, he said, citing this as evidence that commercial wine had a long-term future.

"We see value in all of it. The market moves very quickly," Calabria said.

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Many thanks,

Roula Khalaf
Editor, Financial Times



YOUR RELATIONSHIP WITH THE FINANCIAL TIMES

Q1 How long have you been reading the FT? Please tick one only.

Less than 12 months 11–15 years
 1–5 years 16–20 years
 6–10 years Over 20 years

Q2 How or why did you start reading the FT? Please tick all that apply.

	in print	via digital
Whilst studying at university	<input type="checkbox"/>	<input type="checkbox"/>
After purchasing the occasional newspaper at retail/kiosk	<input type="checkbox"/>	<input type="checkbox"/>
Via corporate/group subscription	<input type="checkbox"/>	<input type="checkbox"/>
Free/reduced-rate trial	<input type="checkbox"/>	<input type="checkbox"/>
Via shared articles on the FT.com	<input type="checkbox"/>	<input type="checkbox"/>
Via social media	<input type="checkbox"/>	<input type="checkbox"/>
Recommendation from friend/family/colleague	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>

Q3 How often do you read the Financial Times newspaper on weekdays? Please tick one only.

4–5 issues per week One issue per month
 2–3 issues per week One issue every quarter
 One issue per week Less often
 3 issues per month Never
 2 issues per month

Q4 How often do you read FT Weekend? Please tick one only.

3–4 issues per month One issue every quarter
 1–2 issues per month Less often
 2–3 issues per quarter Never

Q5 Other than yourself how many other people read your copy of the Financial Times? Please tick one only in each column.

	Weekday	FT Weekend
1–2	<input type="checkbox"/>	<input type="checkbox"/>
3–4	<input type="checkbox"/>	<input type="checkbox"/>
5–6	<input type="checkbox"/>	<input type="checkbox"/>
Nobody else reads my copy of the Financial Times	<input type="checkbox"/>	<input type="checkbox"/>

Q6 How do you usually get hold of your copy of the FT newspaper? Please tick one only.

Personal subscription
 Corporate subscription/office copy
 Newsstand, supermarket or other retailer
 Free copy (eg airline, hotel, gym)
 Do not read the newspaper (Please skip to Q8)

Q7 What is the average time that you spend reading a copy of the FT?

	Weekday	Weekend	60–89 minutes	Weekday	Weekend
Less than 30 minutes	<input type="checkbox"/>				
30–44 minutes	<input type="checkbox"/>				
45–59 minutes	<input type="checkbox"/>				

Q8 How often do you access FT.com via a browser (ie not via an app)?

	PC/laptop	Mobile phone	Tablet
At least once per day	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4–5 days per week	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2–3 days per week	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Once per week	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 days per month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 days per month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Once per month	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Once per quarter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Less often	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Never	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q9 How often do you access the FT app on a ...?

	Mobile phone	Tablet
At least once per day	<input type="checkbox"/>	<input type="checkbox"/>
4–5 days per week	<input type="checkbox"/>	<input type="checkbox"/>
2–3 days per week	<input type="checkbox"/>	<input type="checkbox"/>
Once per week	<input type="checkbox"/>	<input type="checkbox"/>
3 days per month	<input type="checkbox"/>	<input type="checkbox"/>
2 days per month	<input type="checkbox"/>	<input type="checkbox"/>
Once per month	<input type="checkbox"/>	<input type="checkbox"/>
Once per quarter	<input type="checkbox"/>	<input type="checkbox"/>
Less often	<input type="checkbox"/>	<input type="checkbox"/>
Never	<input type="checkbox"/>	<input type="checkbox"/>

Q10 How often do you access the digital edition of the FT newspaper?

At least once per day 2 days per month
 4–5 days per week Once per month
 2–3 days per week Once per quarter
 Once per week Less often
 3 days per month Never

Q11 Do you access FT digital content via any of the following FT products? Please tick all that apply.

MyFT FT Edit
 Audio narrated articles FT Channels (channels.ft.com)
 FT Podcasts FT Videos
 FT Newsletters FT Standpoints

Q12 Other than the Financial Times, which other media sources do you frequently use?

In print (please specify)
 Online (please specify)

Q13 What type of FT digital access do you have? Please tick one only.

Personal subscription as part of an online and newspaper package
 Online-only personal subscription - Premium
 Online-only personal subscription - Standard
 Online-only personal subscription - Registered user
 Online-only personal subscription - Trial
 Corporate/group subscription
 Visitor (not subscriber or registered user)
 (i) Direct
 (ii) via following the FT on X (formerly Twitter)
 (iii) via following FT on Facebook
 (iv) via following FT on Instagram
 (v) via following FT on LinkedIn
 (vi) shared by existing subscriber
 (vii) via search engine
 Do not read FT online (Please skip to Q15)

Q14 On an average day, how much time do you spend accessing FT content on each of these FT digital platforms?

	PC/laptop	Mobile phone	Tablet
Less than 5 minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5–14 minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15–29 minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30–44 minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45–59 minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
60–89 minutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
90 minutes+	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do not visit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q15 In the past 12 months, have you read or attended anything produced by the following FT Group or associated brands? Please tick all that apply.

Investors' Chronicle <input type="checkbox"/>	Ignites Europe <input type="checkbox"/>
MandateWire <input type="checkbox"/>	Professional Wealth Management <input type="checkbox"/>
The Banker <input type="checkbox"/>	Asset Allocator <input type="checkbox"/>
fDi Intelligence <input type="checkbox"/>	FT Adviser <input type="checkbox"/>
GIS Planning <input type="checkbox"/>	Sustainable Views <input type="checkbox"/>
Banking Risk and Regulation <input type="checkbox"/>	FTLIVE: Global Conferences <input type="checkbox"/>

WHY YOU READ FT CONTENT

Q16 To what extent do you agree or disagree with the following statements? Reading the FT (in print or digitally) helps me...

	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
Make investment decisions	<input type="checkbox"/>				
Learn about or discover something interesting	<input type="checkbox"/>				
To understand the latest technology trends	<input type="checkbox"/>				
Stay abreast of business developments	<input type="checkbox"/>				
Make smarter, more informed decisions	<input type="checkbox"/>				
Better understand client businesses/industries	<input type="checkbox"/>				
Have informed discussions with clients/colleagues	<input type="checkbox"/>				
Identify emerging risks and opportunities	<input type="checkbox"/>				
Get alerted to changes in the market	<input type="checkbox"/>				
Save time by reading a trusted source	<input type="checkbox"/>				
Learn about / educate myself about subjects that will assist me professionally	<input type="checkbox"/>				

Q17 To what extent do you agree or disagree with the following statements?

	Strongly agree	Somewhat agree	Neither	Somewhat disagree	Strongly disagree
I can trust what is written in the FT to be unbiased and accurate	<input type="checkbox"/>				
I believe anything written in the FT to be important	<input type="checkbox"/>				
I read FT for the global perspective	<input type="checkbox"/>				
The FT is my most trusted news source	<input type="checkbox"/>				
The FT offers me something I cannot get from other news sources	<input type="checkbox"/>				
I enjoy the FT's coverage of luxury watches	<input type="checkbox"/>				
I enjoy the FT's coverage of luxury travel	<input type="checkbox"/>				
I enjoy the FT's coverage of fashion	<input type="checkbox"/>				
I enjoy the FT's coverage of health and beauty	<input type="checkbox"/>				
I trust sponsored content/advertiser branded content appearing within the FT	<input type="checkbox"/>				
The FT helps me pursue my passions/interests	<input type="checkbox"/>				
The FT champions responsible business practices	<input type="checkbox"/>				

Q18 Which of the following FT content areas a) do you regularly read b) are you interested in reading the most? Please tick all that apply. If you don't read a content area please leave blank and continue...

	(a)	(b)	(a)	(b)
World news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National/Regional news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Markets/Markets Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific columnists	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Life & Arts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Food & Drink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
House & Home	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Travel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal Finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managed Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Politics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Global Economy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FTfm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Executive Appointments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Watches / Jewellery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Opinion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HTSI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cryptocurrencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FT Globetrotter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Climate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Art of Fashion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work and careers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FT Moral Money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ETF Hub	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Entrepreneurship	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Films	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Philanthropy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q19 How likely are you to recommend the FT to your colleagues or friends in the next 12 months?

(Not at all likely) 1 2 3 4 5 6 7 8 9 10 (Extremely likely)

ABOUT YOU

Q20 Are you...? Male Female Prefer not to say
 Prefer to self-describe

Q21 Year of birth? Please write in format YYYY.

Q22 Which country do you live in? Please write in

Are you a citizen of that country? Yes No

Q23 Into which of the following bands does your total annual household income (before tax) from all sources fall?

Less than £49,999
 £50,000–£99,999
 £100,000–£249,999
 £250,000–£499,999
 £500,000–£999,999
 Over £1m
 I'd prefer not to answer this question

Q24 What is your household NET worth?

	INCLUDING main residence	EXCLUDING main residence
Less than £49,999	<input type="checkbox"/>	<input type="checkbox"/>
£50,000–£99,999	<input type="checkbox"/>	<input type="checkbox"/>
£100,000–£249,999	<input type="checkbox"/>	<input type="checkbox"/>
£250,000–£499,999	<input type="checkbox"/>	<input type="checkbox"/>
£500,000–£999,999	<input type="checkbox"/>	<input type="checkbox"/>
£1m–£1.9m	<input type="checkbox"/>	<input type="checkbox"/>
£2m–£4.9m	<input type="checkbox"/>	<input type="checkbox"/>
£5m–£9.9m	<input type="checkbox"/>	<input type="checkbox"/>
Over £10m	<input type="checkbox"/>	<input type="checkbox"/>
I'd prefer not to answer this question	<input type="checkbox"/>	<input type="checkbox"/>

ABOUT YOUR WORK

Q25 Which best describes your work status? Please tick one only.

Working full-time Retired (Please skip to Q34)
 Working part-time Studying full time (Please skip to Q34)
 (including semi-retired) Other (Please skip to Q34)
 Looking for work (Please skip to Q34)

Q26 Which of the following best describes your position / job title?

Please tick one only.

Owner/Partner
 Founder/Co-founder/Entrepreneur
 President/Chairman/CEO
 Chief Marketing Officer
 Chief Operating Officer
 Chief Financial Officer/Finance Director
 Chief Data/Information/Technology Officer
 Other C-suite title (please specify)
 Managing Director
 Board member
 Other managerial level/executive
 Departmental Director/Vice President
 Head of Department
 Technical Specialist
 Consultant
 Financial Professional
 Investment Consultant
 IFA / Financial Adviser
 Broker / Trader
 Professional Investor
 Other Professionally qualified (ie doctor, teacher, engineer etc.)
 Administration/clerical
 Elected representative
 Academic
 Self-employed
 Other (please specify)

Q27 Who do you report into?

Please tick one only.

Owner / Partner / CEO
 C-suite / Managing Director
 Departmental Director / Vice President
 Other (please specify)

Q28 Does your job responsibility involve making decisions about the purchase or lease (ie. choosing the supplier or brand or authorising the payment) of any of the following? Please tick all that apply.

IT / Telecommunication equipment/systems/services
 AI
 Cybersecurity
 Aerospace
 Industrial materials/components
 Fuel / Energy
 Company vehicles
 Business premises/sites
 Accountancy / Treasury services
 Corporate treasurer
 Corporate finance / Capital market services
 Pension services
 Investment advisory / Investment management services
 Domestic banking / Financial services
 International banking / Financial services
 Foreign Direct Investment
 Legal
 Management consulting services
 Risk Management
 Advertising / Marketing / Public relations
 Training / Education courses
 Insurance products/services
 Sustainability
 Logistics
 Other business services
 Other (please specify)
 Not involved in purchase decision making

Q29 Which of the following broad areas are your main areas of activity at work? Please tick no more than four.

General management
 Strategy / Strategic planning
 Management of particular geographical regions
 Banking services
 Financial advisory services
 Accountancy / Management accountancy
 Actuarial / Insurance
 Investment / Fund management
 Treasury

COMPANIES & MARKETS

Europe in two minds over Chinese wind tech

Some operators say competitive pricing aids effort to hit green targets but others cite unfairness of Beijing's subsidies

RACHEL MILLARD AND SHOTARO TANI — LONDON
ALICE HANCOCK — BRUSSELS

On a patch of land in northern Serbia, the development of one of Europe's largest wind farms is a sign of the region's efforts to meet clean energy targets. Yet the decision to pick a Chinese company to supply the turbines has caused alarm among domestic rivals.

Some fear that Italy's Fintel Energia's use of Zhejiang Windey to supply turbines for the Maestrale Ring wind farm is part of a growing trend that threatens to repeat problems in Europe's solar industry, where Chinese companies have undercut domestic groups on price, forcing many to collapse.

Although Chinese manufacturers account for just a fraction of Europe's €57.2bn wind energy market, Brussels

'If we follow a reshoring agenda, we risk slowing down the transition'

Simone Tagliapietra, Bruegel

has launched an investigation into whether groups are using unfair state subsidies to slash prices to create a competitive advantage.

In April, EU competition commissioner Margrethe Vestager accused China of repeating the "playbook" in the clean technology sector, including big subsidies, that it has used to dominate the solar panel industry.

Pierre Tardieu, chief policy officer at trade group WindEurope that represents 550 renewable groups in the region, fears a "tipping point" where Chinese companies start to dominate the European turbine market, led by Denmark's Vestas and Germany's Siemens Gamesa. "We believe very strongly that this would be very, very bad news for the European wind market and the European economy in general," he said.

WindEurope, whose members include the region's big turbine manufacturers, claim that Chinese manufacturers are offering prices 40 per cent to 50 per cent lower than European rivals and allowing developers to defer payments. It argues that these prices are not possible without unfair public subsidies. Last month, German asset manager Luxcara picked Mingyang, China's fourth largest wind turbine maker by market share in 2023, as its preferred supplier of turbines for an offshore wind project. Holger Matthiesen, project director, said the models were "the world's most powerful" and the deal would help the company "expedite Germany's energy transition".

In the UK, Swedish clean tech group Hexicon chose Mingyang as its preferred supplier for its planned floating offshore wind project.

Other company bosses admit that lower prices could persuade them to switch to Chinese suppliers. "We don't have any Chinese turbines, but if prices stay at these levels, I think you will start seeing more companies using them,"



Engineers work on an offshore blade at the Dongfang plant of Mingyang, China's fourth largest wind turbine maker by market share in 2023 — Wu Wei/VCG/Getty Images



said Miguel Stilwell d'Andrade, chief executive of Portugal's wind developer EDP, which is 21 per cent owned by China's Three Gorges Power Corporation. "We will also consider them if they are more competitive."

Ignacio Galán, executive chair of Spanish utility Iberdrola, said the company tended to focus on local suppliers, but if Chinese manufacturers "are making reliable and competitive turbines, we would be ready to consider them as potential suppliers".

Analysts at Aegir Insights said a planned 250-megawatt floating offshore wind farm off the coast of Brittany might not be feasible without cheaper turbines, likely to be Chinese or produced outside Europe.

However, the Chinese have a long way to go to catch up with European rivals. Turbine producers Goldwind and Windey accounted for 1 per cent of market share in Europe last year, according

to the Global Wind Energy Council. Mads Nipper, chief executive of Danish wind and solar farm developer Ørsted, played down concerns about a Chinese threat to home turbine producers when he said earlier this year that it was unlikely that they would win significant market share in western Europe.

The China Chamber of Commerce to the EU insisted that "technological competition and intense competition, not state subsidies, drive Chinese companies' competitiveness". The EU's investigation into Chinese subsidies had triggered "profound dissatisfaction and concern".

Zhejiang Windey backed the chamber, saying there were no "unfair and implicit state subsidies. We also call for a fair, open and transparent wind market without being manipulated by any single party. We just want to contribute to the global energy transition, with our experience and technology".

EV transition

Royal Enfield kick-starts electric bike plans

BENJAMIN PARKIN — NEW DELHI
KANAN INAGAKI — TOKYO

Motorcycle brand Royal Enfield is in the "advanced" stages of developing its first electric bike for a launch next year as global manufacturers scale up investments to try to crack the burgeoning market for high-performance electric bikes.

Founded in the English Midlands in 1901 before moving to India, Royal Enfield bills itself as the world's longest-running motorcycle brand and has in recent years expanded globally, from the US to Thailand, tapping a cult following for its retro bikes.

B. Govindarajan, Royal Enfield chief executive, said falling costs for electric vehicles would allow the company to launch its first model in the next financial year, which starts in April 2025.

"Our focus will be on a gorgeous-looking, very differentiated electric vehicle," he said, adding that while "no one is making money in the electric world as of now... the cost of an electric vehicle is rapidly changing".

Govindarajan added: "In a year's time, when we enter with the product, we'll be competitive."

EV sales growth has slowed around the world as manufacturers struggle with driving range and high costs while developing high-quality electric motorcycles has proved particularly tricky.

Compared with four-wheel vehicles, motorcycles have limited space for batteries, requiring more frequent charging or swapping of batteries, while profit

margins are lower than for bikes powered by an internal combustion engine.

Govindarajan said Royal Enfield would probably opt for a "fixed battery with fast charging" instead of battery-swapping. Anuj Dua, head of Royal Enfield's Asia-Pacific business, said its electric bike was in the "advanced development" stage.

In Japan, Yamaha Motor has set an ambitious target to make 90 per cent of its motorcycle sales electric by 2050 but the group has been forced to push back its previous goal of selling 10 electric models by the end of this year to mid-2025. Honda plans to invest ¥500bn (\$3bn) over the next decade as it aims to sell 4mn electric bikes a year by 2030.

US motorcycle manufacturer Harley-Davidson this month secured \$89mn in federal funding to expand the pro-



Royal Enfield, known for its retro motorbikes, is investing in EVs

duction of its electric motorcycles in Pennsylvania.

In 2022, Royal Enfield invested in Spanish electric motorcycle maker Stark Future. It then previewed an electric prototype of its 450cc-engine Himalayan bike at last year's Milan motorcycle show.

Analysts said producing commercially viable, high-performance electric motorcycles remained a challenge.

"For an electric vehicle to chum out that kind of performance, power and torque... is highly demanding," said Varun Baxi, a car industry analyst at stockbroker Nirmal Bang in Mumbai. "The technology needs to be more evolved."

Royal Enfield has enjoyed rapid growth in India, the largest motorcycle market by sales volume, dominating the market for "midsize" models popular with affluent Indians.

These are larger than India's ubiquitous budget scooters but smaller than prestige bikes produced by brands such as Harley-Davidson or Triumph. Models typically cost between Rs150,000 (\$1,800) and Rs400,000 each.

However, the company has lost market share as more domestic and global brands launch midsize models in India, leading it to turn to exports for growth.

The transition to EVs in India has so far been led by scooters with companies such as SoftBank-backed Ola Electric and Bajaj developing models that go for about Rs100,000. Ola made a stock market debut on Friday in India's largest initial public offering so far this year.

FT FUTURE FORUM

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GWEC, which has Chinese companies including Zhejiang Windey and Mingyang among its membership, said maintaining "fair and transparent trade practices" was important in the face of measures launched by the EU to protect clean tech jobs from China exports.

The measures, which include the EU's subsidies probe, have stoked worries that without Chinese technology, the region could miss targets on carbon emissions. The EU has set tough climate targets that it estimates could cost €1.5tn per year in investment.

"If we in Europe follow a reshoring agenda, with import substitution and domestic manufacturing targets, we risk... slowing down the energy transition in Europe as everything would become a little bit more expensive," said Simone Tagliapietra, a senior fellow at

The region's renewable businesses 'believe very strongly that this would be very, very bad news'

think-tank Bruegel. "Instead of going against gravity and beating the Chinese or trying to compete with the Chinese on the economies of scale they've built, we would be better to focus on an innovation-driven industrial policy."

Jonathan Cole, chair of GWEC but speaking in his capacity as chief executive of wind developer Corio Generation, agreed. Shutting out Chinese businesses from the supply chain would "significantly hinder" the ability to hit decarbonisation targets. "Positive fiscal policy designed to stimulate the growth of local supply chains is more likely to help meet our targets than a policy designed to discourage or exclude foreign suppliers."

Some European politicians cautioned against too many barriers to China groups. "We want cheap and fast and domestic production. We can only have two of those three. We should make a tactical choice," said an EU diplomat.

COMPANIES & MARKETS

Industrials

Hindenburg fires fresh salvo over Adani

Watchdog chair invested in fund structure linked to mogul, short seller alleges

CHRIS KAY — MUMBAI

The chair of India's regulator held stakes in an offshore fund structure used by Vinod Adani, holding the agency back in probing fraud charges against the eponymous conglomerate run by his brother, according to fresh allegations levelled by Hindenburg Research.

Madhabi Buch, head of the Securities and Exchange Board of India, and her husband had "hidden" holdings in Bermuda and Mauritius entities also drawn upon by the older brother of

Adani Group founder Gautam Adani, the US short seller said in a post on Saturday, citing leaked documents in its possession.

The couple said they "strongly deny the baseless allegations and insinuations made in the report".

The latest allegations were made 18 months after Hindenburg first accused Adani's infrastructure-focused empire of corporate fraud and detailed a web of offshore funds it said were used to evade minimum shareholder listing rules.

It led to a meltdown across the conglomerate's companies and erased \$140bn in market value.

Sebi has yet to make public the findings from long-running probes into the Adani Group after India's Supreme

Court in January ordered it to wind up the investigations within three months.

In June, Sebi said Hindenburg had "indulged in unfair trade practices" in its bet against the Adani Group and had "deliberately sensationalised and distorted certain facts".

Hindenburg, making reference to previous Financial Times reporting on Adani's links to offshore vehicles, said it suspected the alleged fund holdings by Buch — a former chief executive at India's ICICI Securities who has chaired Sebi since 2022 — were reasons for the regulator's "unwillingness to take meaningful action" against Adani's offshore shareholders.

The couple first made the investments in 2015, two years before Buch

joined Sebi, according to Hindenburg. The short seller also questioned Buch's promotion of real estate investment trusts without disclosing her husband Dhaval's advisory role with investment manager Blackstone, which has sponsored Indian REITs.

"Our life and finances are an open book," the couple said in response to the allegations. "All disclosures as required have already been furnished to Sebi over the years. We have no hesitation in disclosing any and all financial documents, including those that relate to the period when we were strictly private citizens."

Adani Group called Hindenburg's latest allegations "malicious, mischievous and manipulative", adding that "our

overseas holding structure is fully transparent, with all relevant details disclosed regularly in numerous public documents".

The conglomerate said it "has absolutely no commercial relationship with the individuals or matters mentioned in this calculated deliberate effort to malign our standing".

Dhaval Buch, a former chief procurement officer at Unilever, has been a senior adviser to Blackstone Private Equity since 2019 on procurement and supply chain topics, and is not involved in investment-related activities, including real estate or REITs, said a person familiar with the matter.

A Blackstone representative declined to comment.

Financial services

Marcum Asia excluded from buyout deal for parent

STEPHEN FOLEY — NEW YORK

Marcum Asia, the US audit firm focused on Chinese small-caps, has been excluded from the \$2.3bn acquisition of its parent company, leaving it searching for a new name and potentially new investors.

Ohio-based CBiz, which agreed last week to buy Marcum to create the seventh-largest US accounting firm by revenue, said it did not want to acquire Marcum's 50 per cent stake in Marcum Asia, which audits about 50 US-listed companies from China and the region.

Marcum had grown to be the largest auditor of US-listed companies outside the Big Four by number of clients, thanks to its willingness to take on business that is too small or too risky for the largest accounting firms. Its more than 400 clients have included scores of special purpose acquisition companies and, through Marcum Asia, Chinese small-caps and other Asia start-ups with US listings.

CBiz, by contrast, had been retreating from auditing public companies until reversing course with the Marcum deal. A number of mid-size accounting firms have stepped back from auditing US public companies, particularly small-caps, because of the cost of meeting audit standards and the risks from regulatory scrutiny.

"We understand that the Asia focus of Marcum Asia's practice was not part of CBiz's strategy," said Drew Bernstein,

CBiz said the decision 'was not a reflection of [the China-focused firm's] underlying business'

co-chair of Marcum Asia.

Marcum Asia was formed in 2011 as a joint venture between Marcum and Bernstein & Pinchuk. The firm, which has annual revenues of about \$50m, would keep the right to use the Marcum brand for an unspecified transition period after the CBiz deal closes, Bernstein said, and it would not need to untangle its staffing and quality assurance processes from Marcum's until after that period.

Longer term, its ownership structure is likely to come under review. Marcum's more than 500 partners, who are set to become shareholders of CBiz under last week's cash-and-stock deal, will continue to own 50 per cent of Marcum Asia for the time being.

Private equity firms have been hunting for acquisitions among small-cap accounting firms and could be interested in the Marcum stake, according to people familiar with the sector, or Marcum Asia's own partners could mount a buyout.

CBiz said the decision to exclude Marcum Asia from the acquisition "was not a reflection of the underlying business".

A spokesperson said: "There were a number of characteristics of that business that would have required due diligence. Our higher priority was to focus our time and resources on due diligence to support the transaction that was announced."

Jerry Grisko, CBiz chief executive, said that he did not expect to shake out any of the publicly listed clients of the main Marcum audit business.

Market questions. Week ahead

Investors keep wary eye on US price pressures

Will US inflation data spook markets?

After a weak US jobs report sparked a global stock sell-off last week, investors will be watching inflation data for the biggest economy even more closely than usual this week.

Figures published on Wednesday are expected to show that US consumer prices rose at an annual rate of 3 per cent in July, unchanged from the previous month, according to economists' forecasts compiled by Bloomberg.

But core inflation, which has remained stubbornly elevated even as the Federal Reserve has kept interest rates at 23-year highs, is expected to fall slightly to 3.2 per cent from 3.3 per cent in June. Core inflation strips out the volatile food and energy sectors.

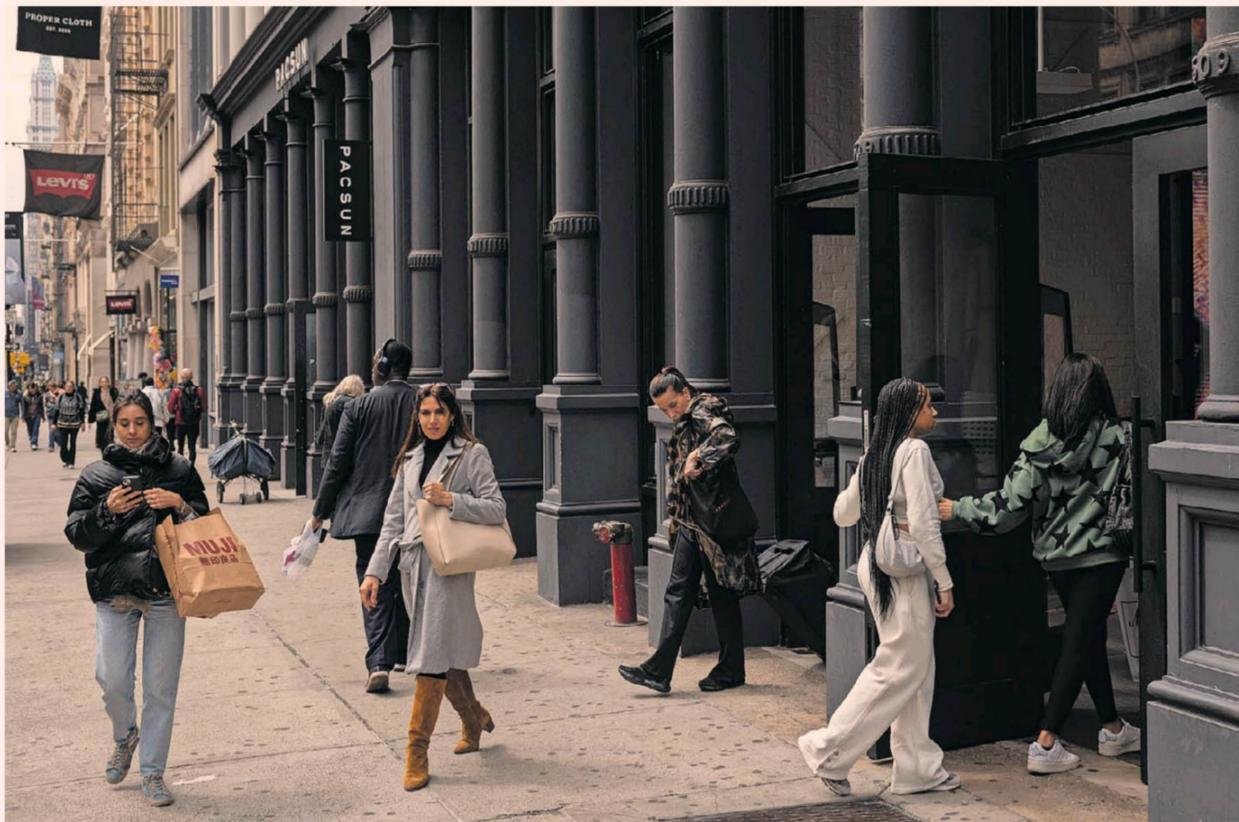
Any sign that inflationary pressures are picking up again could spook markets that have become highly sensitive to economic data. "An unexpected upside surprise to inflation would likely cause the larger market reaction, including a move higher in yields pricing out some of the substantial rate cuts now expected from the Fed this year," said analysts at Citigroup.

Investors ramped up their bets on Fed cuts following the jobs report on August 2, as global equity markets went into meltdown. While some of the more extreme bets on lower borrowing costs have since been unwound, traders still expect the Fed to cut rates by a full percentage point this year — indicating a jumbo half-percentage point cut at one of its remaining three meetings — from their current 23-year high of 5.25-5.50 per cent. *Kate Duguid*

Will UK inflation make the Bank of England more cautious?

UK inflation data for July, which comes after the Bank of England's knife-edge decision to cut interest rates this month, could also make a big impact on markets. Economists are forecasting a small rise in annual consumer price inflation to 2.3 per cent due to rising energy prices, ending two months of inflation hitting the Bank of England's target of 2 per cent.

Rate-setters at the BoE have been divided over the path for interest rates, with the central bank's monetary policy committee this month voting to cut benchmark borrowing costs for the first time since 2020 by five votes to four.



Consumer prices data in July is expected to show no change from June. Core inflation has been stubbornly high, however

Yuk: iwamura/Bloomberg

Traders will in particular be looking at services inflation, a key measure of domestic price pressures, which accelerated to 5.7 per cent year on year in June. That was higher than forecast, and convinced some experts that interest rates needed to stay higher for longer. For July, economists expect services inflation to slow slightly to 5.5 per cent.

Swaps markets are currently pricing in just under 0.5 percentage points of cuts this year. Sanjay Raja, chief UK economist at Deutsche Bank, suggested that the July data could make the central bank more cautious about future rate cuts.

"It's still showing some stickiness compared to where they were a few months ago. They will want to see what the next few data points look like," said Raja. "This isn't [a central bank] that is in a rush to cut." *Emily Herbert*

Has the Tokyo market turbulence died out?

Tokyo's Topix has clawed back a chunk of the historic losses it experienced last week when the index suffered the worst session for Japanese stocks since October 1987.

Yet some traders remain cautious about piling back in to the country's equity market.

After months of low volatility, the Bank of Japan's decision to raise interest rates at the end of July boosted the value of the yen against the dollar. That accelerated a reversal of the yen carry trade long relied upon by investors to fund bets on high-yielding assets including Japanese and US stocks.

The resulting sell-off wiped more than \$1tn from the value of Japan's main stock index over three trading sessions,

'An unexpected upside surprise to inflation would likely cause the larger market reaction'

Citi analysts

shattering investor complacency and erasing the market's gains for the year.

Turbulence subsided over the second half of last week, with the Nikkei volatility index having fallen back after jumping on Monday to its highest level since the 2008 financial crisis.

But many investors expect Japanese stocks to remain under pressure over the short-term and trading to be choppy.

JPMorgan analysts said on Thursday that "interest in Japanese stocks remains strong" even as they lowered their end-of-year price targets for the Topix and the Nikkei 225.

"After the sell-off, we recommend sectors to remain with a domestic focus, defensive characteristics, resistance to [yen] appreciation, and high shareholder returns," the JPMorgan team wrote to clients. *George Steer*

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UK COMPANIES

Remuneration

Soriot leads as FTSE bosses enjoy pay surge

Average of £5mn is driven by small number of groups awarding big increases

MICHAEL O'DWYER

The pay of FTSE 100 chief executives surged by £560,000 to an average of almost £5mn last year, rebounding to levels not seen since 2017.

The figures come as UK executives push for higher payouts to compete with international rivals, particularly in the US, where company bosses are paid significantly more.

The rise in average pay was driven by "a small number of companies making

really large pay awards rather than big increases across the board", said Luke Hildyard, director at the High Pay Centre think-tank that compiled the data.

The number of companies on the blue-chip index paying their bosses more than £10mn rose from four in 2022 to nine in 2023.

Median pay rose more modestly from £4.1mn to £4.19mn, according to the High Pay Centre's analysis of company disclosures, though this was still the highest since 2009, the earliest year for which it has collected the data.

AstraZeneca chief executive Sir Pascal Soriot remained the highest-paid FTSE boss with total pay of £16.9mn, up from £15.1mn a year earlier.

Erik Engstrom and Charles Woodburn, the heads of Relx and BAE Systems, were each paid more than £13mn.

Rolls-Royce boss Tufan Erginbilgic received similar remuneration but this included a one-off £7.5mn share award, which will not fully vest until 2028, to compensate him for shares that he forfeited when he joined from his previous private equity job.

Soriot's pay could rise again this year as AstraZeneca in recent months joined large UK-listed groups such as London Stock Exchange Group and Smith & Nephew in winning shareholder backing for higher executive pay packages.

LSEG boss David Schwimmer said in February: "If London has an ambition to

be a globally leading financial centre and to attract world-class companies, that means it has to attract world-class talent."

The analysis covers chief executives' entire pay packages, including salary, bonuses, pension and incentive plans.

Companies argue that the majority of executives' pay comes from bonuses and share awards linked to performance. Relx's share price has risen roughly sevenfold since Engstrom took over in 2009, for example.

But the figures will be seized on by opponents of high pay with the median FTSE 100 chief now paid 120 times the median full-time British worker, according to the High Pay Centre.

Hildyard blamed the gap on "the decline of trade union membership, low levels of worker participation in business decision-making and a business culture that puts the interests of investors before workers, customers, suppliers and other stakeholders".

He added: "These developments have been very good for those at the top but it is more questionable whether they are in the interests of the country as a whole."

The Labour government has pledged to make it easier for unions to gain statutory recognition and improve their rights to access workplaces to recruit.

GSK chief executive Dame Emma Walmsley's remuneration of £12.7mn made her the highest-paid woman.

Retail

Wilko parent says it is not liable for pension hole of £70mn

LAURA ONITA

The former ultimate owner of discount retail chain Wilko does not expect to have to help plug the high street chain's estimated £70.2mn pension hole following its collapse a year ago.

Amalgamated Holdings Wilkinson Limited, the ultimate parent of Wilko that is owned by the founding family, said in new documents that its directors, including former chair Lisa Wilkinson, "do not believe there is a liability for AHWL in respect to any [pension] deficit arising" after they sought legal advice.

The statement comes after the UK discount retailer fell into administration last August, making it one of biggest retail casualties in recent years with more than 10,000 job losses.

The UK pensions regulator has been considering taking action against Wilko after it went bust with an estimated £70.2mn pension shortfall, having paid millions of pounds in dividends to Wilko's founding family over the years.

It has the power to pursue owners to plug pension gaps if their actions are deemed to have put pension holders' savings at risk.

It is unclear what the final financial position of the scheme will be.

In the Companies House filings, AHWL acknowledged that the regulator's powers were "extensive" but it cited several reasons as to why it believed it was off the hook for liabilities.

It said that it "has never been the sponsoring employer for the Wilko pension scheme" and "when periodically asked about dividends, as shareholder, the directors... expressed a view that pension contributions be prioritised over dividends" among other things.

It added that the directors believed the scheme was "appropriately and properly funded" especially after the retailer was granted security over £20mn of Wilko property, which is expected to be paid in full, and annual contributions increased from £4.75mn to £8.4mn from 2022. It also said that no dividends were ever paid by AHWL.

Separately, the directors said they "have considered the possibility of a claim or claims against it" more broadly following the administration but "they have received no indication of an actual or potential claim arising from the process to date".

The family-owned chain started life as a single hardware store in Leicester in 1930, before capitalising on the rise of DIY and expanding to 400 stores. However, it faced increasing competition from nimble rivals in recent years with sales deteriorating and it running out of cash.

The Wilko pension scheme could be bailed out by the Pension Protection Fund, the pensions lifeboat scheme. The PPF said the scheme "remains in assessment" and that it was "working closely with the scheme trustees to ensure the best outcome for members".

A representative for AHWL declined to comment.

The pension regulator said it had engaged with "Wilko, the pension trustees, the administrators and the PPF to make sure members' benefits are protected". The PPF added that it was an ongoing case and declined to comment further.

Mining. Fossil fuels

Glencore keeps faith with coal business

Chief accused of using shift in ESG attitudes as smokescreen for axing plans to ditch unit

HARRY DEMPSEY AND EMMA DUNKLEY

At the peak of the environmental, social and governance frenzy in 2021 as investors piled into green assets, Anglo American demerged its South African thermal coal mines – with then-chief executive Mark Cutifani citing the need to "act responsibly".

In the next two years, Glencore – the world's biggest publicly listed coal producer – made core earnings of \$51bn and returned a record \$17.4bn to shareholders thanks to skyrocketing coal prices after Russia's invasion of Ukraine roiled energy markets.

As prices cooled last year, the Swiss miner and commodities trader pledged to follow Anglo by separating into a coal producer floated in New York and a metals company as part of its takeover pursuit of Canada's Teck Resources, which was plotting a similar break-up.

But last Wednesday, the FTSE 100 company made a striking U-turn and dropped plans to spin off the coal arm, the biggest proposed overhaul of the commodities behemoth in more than a decade – attributing the pivot to a sea change in investor sentiment towards fossil fuels over the past year.

"The pendulum has swung on ESG over the last nine to 12 months," said Gary Nagle, the South African chief executive who rose through the ranks. "They [investors] still do recognise that cash is king and that is always the case. There's an understanding that energy is required today as we transition to a decarbonised future and it has to come from fossil fuels in many cases."

Glencore's decision underscores a dilemma for the world's largest miners and investors: how to live without king coal's bumper returns that can be used to fund huge payouts and future growth in minerals for clean technology such as copper and cobalt.

"The proposed coal divestment would have left an odd rump company unable to provide the significant distributions to shareholders of the prior Glencore," said Richard Buxton, a former fund manager who owned the stock for a decade. "Scrapping the plan makes them much more attractive again."

The commodities trader, which generated 433mn tonnes of CO₂ in 2023 – more than entire countries such as the



Glencore generated 433mn tonnes of CO₂ in 2023 – more than entire countries such as the UK or France

Brendon Thorne/Bloomberg

UK or France – has followed energy majors BP and Shell in backtracking on efforts to court ESG investors, instead doubling down on oil and gas.

Glencore has long argued against the push by environmental activists for fossil fuel producers to divest. It has advocated that coal assets are better run down by responsible, accountable operators as developing nations in Asia and Africa still need coal to power their economies. But coal has whipped up controversy for Glencore and other miners, which have faced escalating pressure from investors and banks to cut their exposure in the past decade.

The burning of fossil fuels for energy and heating makes up the majority of greenhouse gas emissions behind global warming with coal producing more than any other single source.

In particular, thermal coal, used to generate power and perceived to have readily available replacements in gas

and renewables, is the most contentious. Metallurgical coal, which is used to make steel, is more palatable given continuing infrastructure demand and the lack of alternatives.

Rio Tinto was the first major miner to fully exit coal in 2018. Anglo will join them after selling its metallurgical coal mines, the first step in its radical portfolio overhaul. BHP made its own reversal in 2022, deciding to run down a thermal coal mine instead of selling it as it aims to develop a portfolio of high-quality steelmaking coal assets.

"There are quite a lot of similarities between what BHP and Glencore are doing," said James Whiteside, head of metal and mining corporates at Wood Mackenzie, a consultancy. "The difference is the scale of Glencore's coal business."

If Glencore keeps paying out roughly half of its operating cash flows at today's valuation, the average dividend yield

would be almost 20 per cent between 2024 and 2026 – well ahead of rival miners, he said.

For those who ditch coal, the bumper profits will be sorely missed.

Nagle has lashed out at ESG investors as box-tickers. Last year, he blamed "some ESG person in the basement in office number 27" for an increase in dissent towards its climate change plans.

In June, Legal & General Investment Management announced plans to sell some of Glencore's shares because of concerns over its coal production and commitment to reducing carbon emissions. But other investors agree with Nagle, saying ESG is simply a trend.

"Glencore has probably realised ESG is a fad, hence the decision not to spin out the super profitable coal business," said Barry Norris, a fund manager at Argonaut Capital, which is not a shareholder in the company.

In evidence of an ESG mood shift, Nagle pointed to increased support for its climate strategy, which rose to more than 90 per cent at its annual meeting of shareholders in May, up from about 70 per cent a year ago. However, some said that comparison was irrelevant.

"Existing shareholders are, by definition, those who are allowed to own coal," said one investor in the company. "So when asked whether to keep coal or have it spun off, the latter has more uncertainty."

That has led some cynics to question whether Glencore's move really represents a major shift in investor attitudes on climate change or whether Nagle is using them as a smokescreen for the company's U-turn.

The origin of Nagle's proposal to spin off coal was a tactic in a takeover battle for Teck Resources, a mining company that was planning to split itself into a coal and metals group. Eventually, an agreement to sell a majority stake in Teck's steelmaking coal business to Glencore for \$6.9bn was reached in November with the Swiss group declaring its own break-up would still stand.

While Glencore has put to bed uncertainty over coal's near-term future, some shareholders expect plans to split the company could return if it makes a major acquisition. This could be helped by coal profits and the extra firepower from the retention of its net debt cap of \$10bn. It had planned to reduce it to \$5bn within 24 months under the coal split. "The company is always open to M&A," said Nagle, adding coal's returns could also fund organic growth or share buybacks. "It's part of our DNA."

'They have probably realised ESG is a fad, hence the decision not to spin out the super profitable coal business'

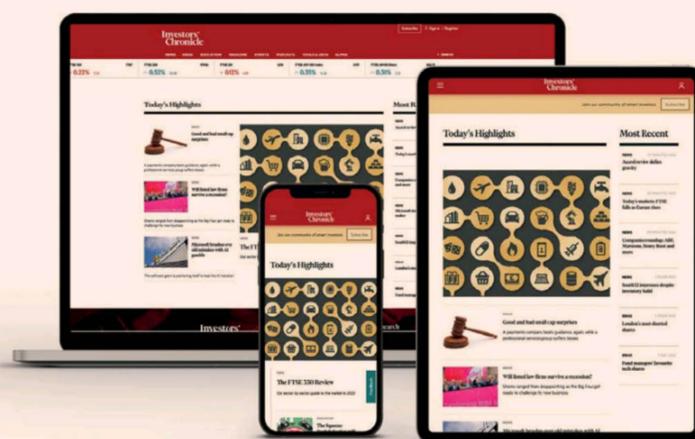
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MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Main market data table with columns for Stock, Price/Week, 52 Week High/Low, and P/E. Includes sections for FT500, FTSE 100, FTSE 250, FTSE 350, FTSE 500, and FTSE 1000.

FT 500: TOP 20

Table listing the top 20 FT 500 companies with columns for Stock, Price, Change, and Market Cap.

FT 500: BOTTOM 20

Table listing the bottom 20 FT 500 companies with columns for Stock, Price, Change, and Market Cap.

INTEREST RATES: FTIF

Table showing interest rates for various maturities and currencies.

INTEREST RATES: MARKET

Table showing market interest rates for different regions and currencies.

COMMODITIES

Table listing commodity prices for various goods like oil, gas, and metals.

BOND INDICES

Table showing bond indices for different regions and currencies.

BONDS: INDEX-LINKED

Table showing index-linked bond data.

BONDS: TEN YEAR GOVT SPREADS

Table showing ten-year government bond spreads for various countries.

BONDS: HIGH YIELD & EMERGING MARKET

Table showing high yield and emerging market bond data.

BONDS: BENCHMARK GOVERNMENT

Table showing benchmark government bond data.

VOLATILITY INDEXES

Table showing volatility indices for various markets.

BONDS: GLOBAL INVESTMENT GRADE

Table showing global investment grade bond data.

GLTS: UK FTSE ACTUARIES INDICES

Table showing UK FTSE actuaries indices.

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Main Market

Table with columns: Sector, Price +/- Week, High, Low, Yld, P/E, 000s. Includes Aerospace & Defence, Automobiles & Parts, Banks, Basic Resources, Chemicals, Construction & Materials, Electronic & Electrical Equip, Financial General, and AIM.

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AIM

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Investment Companies

Table with columns: Sector, Price +/- Week, High, Low, Yld, P/E, 000s. Includes Conventional (Ex Private Equity), Disruptive, and AIM.

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MANAGED FUNDS SERVICE

SUMMARY

FT.COM/FUNDS

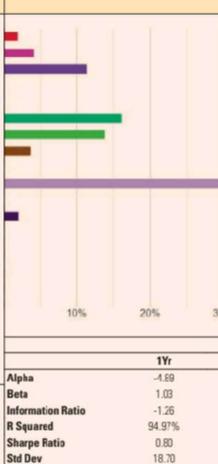
Winners - EAA Fund Japan Large-Cap Equity						Losers - EAA Fund Japan Large-Cap Equity						Morningstar Star Ratings				Global Broad Category Group - Allocation					
Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev	Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev	Fund Name	Base Currency	Morningstar Rating 3 Yr	Morningstar Rating 5 Yr	Morningstar Rating 10 Yr	Morningstar Category	Base Currency	Total Ret 1Yr GBP	Total Ret 3Yr GBP	Total Ret 5Yr GBP
Man G.G. Japan CoreAlpha Fund	9.44	11.54	7.73	1.83	12.80	T. Rowe Price Funds SICV - Japanese Equity Fund	-2.33	-7.64	0.46	0.20	13.67	Healthcare Blue Chip Fund I USD Acc	US Dollar	★★★★	★★★★	-	Moderately Aggressive Allocation	Hong Kong Dollar	-18.97	17.66	10.44
IUP Zenmor Japan Fund	12.20	8.50	-	1.99	9.59	Artemis US Ex Alpha I Acc	-0.52	-7.39	-0.03	0.30	13.53	Artemis US Ex Alpha I Acc	Pound Sterling	★★★★	★★★★	-	Euro Aggressive Balanced PP	Euro	11.97	14.77	-
M&G Incumbent Funds (I) M&G Japan Fund	6.06	7.79	8.36	1.59	12.46	GAM Star Funds - GAM Star Japan Leaders	1.00	6.43	2.10	0.31	15.99	Asia Pacific Ops W-Acc	Pound Sterling	★★★	★★★★	-	Balanced Fixed Term	Baht	3.04	10.98	11.14
DWS Nomura Japan Growth	7.68	6.33	10.66	1.20	18.24	JPMorgan Funds - Japan Equity Fund	5.99	-6.38	2.44	0.42	18.32	Fidelity Asia Fund W-Acc-GBP	Pound Sterling	★★★	★★★	★★★★	ZAR/NAD Flexible Allocation	Rand	7.46	3.67	10.83
Quilter Investors Japanese Equity Fund	5.61	6.10	5.47	1.45	12.54	Baillie Gifford Japanese Fund	3.33	-3.93	1.43	0.61	12.65	SF Global Best Ideas Eq USD ACC	US Dollar	★★★	★★★	★★★★	Blended - Conservative	Malaysian Ringgit	7.79	3.44	4.23

Advertising Feature

Performance



Weightings - As of 30/06/2024



Top 10 Holdings - As of 30/06/2024

Holder	Sector	Weighting
NVIDIA Corp	Technology	8.34%
Microsoft Corp	Technology	7.32%
Amazon.com Inc	Consumer Cyclical	6.56%
Intuit Inc	Technology	4.62%
Alphabet Inc Class A	Communication Services	4.13%
ServiceNow Inc	Technology	4.09%
Visa Inc Class A	Financial Services	3.53%
IOI & Co Inc Ordinary Shares	Financial Services	3.11%
Tanasee Corp	Healthcare	3.10%
Monolithic Power Systems Inc	Technology	3.07%

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Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
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MANAGED FUNDS SERVICE

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
LGT Wealth Management (CI) Limited (JER)						
FC1, The Esplanade, St Helier, Jersey, JE1 4BP						
Volare Offshore Strategy Fund Limited						
Bridge Fund	£2.3352	-	0.0273	2.38	10.56	1.11
Global Equity Fund	£3.7698	-	0.2566	1.31	13.13	3.38
Global Fixed Interest Fund	£0.7628	-	-0.0004	4.67	8.31	2.61
Income Fund	£0.6763	-	0.0074	2.96	12.17	2.32
Sterling Fixed Interest Fund	£0.6942	-	-0.0001	4.74	10.35	4.86
UK Equity Fund	£1.8787	-	0.0214	3.47	5.09	-1.49



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
M & G Securities (1200)F (UK)						
PO Box 3038, Chelmsford, CM99 2XF						
www.money.com/charities/Free/Flowing/0906/917/4477						
Authorised Inv Funds						
Charifund Inc	1506.24	-	15.77	5.74	14.47	4.88
Charifund Acc	32743.02	-	384.45	5.11	14.45	4.87
M&G Charifund Series Fund (Charifund) Inc	£ 1.10	-	0.00	3.88	8.92	0.66
M&G Charifund Series Fund (Charifund) Inc	£ 41.95	-	-0.04	3.51	8.93	0.66
M&G Charifund Multi Asset Fund Inc	£ 0.93	-	0.01	-	11.69	5.37
M&G Charifund Multi Asset Fund Acc	£ 119.31	-	1.05	3.65	11.69	5.37

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Oasis Crescent Global Investment Funds (UK) ICVC (UK) (Regulated)						
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL						
Order Desk and Enquiries: 0345 601 9610						
Authorised Inv Funds						
Oasis Crescent Global Equity Fund USD A (Dist)	\$ 37.63	-	0.38	0.77	5.49	-0.89
Oasis Crescent Global Income Fund USD A (Dist)	\$ 10.20	-	0.00	-	6.01	0.96
Oasis Crescent Global Low Equity Fund USD A (Dist)	\$ 12.94	-	0.06	1.50	6.23	-0.49
Oasis Crescent Global Medium Equity Fund USD A (Dist)	\$ 14.51	-	0.08	1.05	6.20	-0.41
Oasis Crescent Global Property Fund USD A (Dist)	\$ 9.20	-	0.05	-	18.32	-1.05
Oasis Crescent Global Short Term Income Fund USD A (Dist)	\$ 0.94	-	0.00	-	4.48	1.05
Oasis Crescent Variable Fund GBP A (Dist)	£ 10.10	-	0.02	0.70	6.64	-0.50

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Ruffer LLP (1000)F (UK)						
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL						
Order Desk and Enquiries: 0345 601 9610						
Authorised Inv Funds						
WS Ruffer Diversified Rm C Acc	103.36	-	-1.03	1.13	3.69	-
WS Ruffer Diversified Rm C Inc	100.28	-	-1.00	1.14	3.68	-
WS Ruffer Equity & General C Acc	635.73	-	12.49	1.21	9.72	3.52
WS Ruffer Equity & General C Inc	566.63	-	11.13	1.23	9.72	3.52
WS Ruffer Gold C Acc	317.99	-	-5.39	0.32	35.05	6.88
WS Ruffer Gold C Inc	191.64	-	-3.25	0.33	35.05	6.88
WS Ruffer Total Return C Acc	546.25	-	8.67	1.95	1.80	0.30
WS Ruffer Total Return C Inc	329.51	-	5.23	1.98	1.80	0.30

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Troy Asset Mgt (1200) (UK)						
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL						
Order Desk and Enquiries: 0345 608 0950						
Authorised Inv Funds						
Authorised Corporate Director - Waystone Management (UK) Limited						
Trojan Investment Funds						
Trojan Ethical Global Inc O Acc	108.66	-	0.81	2.41	4.82	-
Trojan Ethical Global Inc O Inc	101.22	-	0.75	2.44	4.82	-
Trojan Ethical O Acc	137.76	-	0.29	1.22	0.04	2.07
Trojan Ethical O Inc	135.64	-	0.29	1.43	0.04	2.94
Trojan Ethical Income C Acc	150.62	-	1.70	-	8.39	1.25
Trojan Ethical Income C Inc	119.57	-	1.35	2.64	8.40	1.25
Trojan Fund C Acc	406.48	-	0.88	1.01	5.96	2.17
Trojan Fund C Inc	324.74	-	0.71	1.02	5.97	2.17
Trojan Global Equity O Acc	588.24	-	7.97	0.22	13.38	5.08
Trojan Global Equity O Inc	484.25	-	6.57	0.22	13.38	5.08
Trojan Global Income O Acc	162.16	-	1.23	2.91	4.42	3.86
Trojan Global Income O Inc	126.26	-	0.97	2.96	4.42	3.85
Trojan Income O Acc	363.97	-	4.43	7.90	6.41	0.34
Trojan Income O Inc	169.75	-	2.06	3.01	6.41	0.34

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Omnia Fund Ltd (UK)						
www.money.com/charities/Free/Flowing/0906/917/4477						
Other International Funds						
Estimated NAV	\$ 1183.07	-	24.07	0.00	28.23	22.38



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
MMIP Investment Management Limited (GSY) (Regulated)						
Multi-Manager Investment Programmes PCC Limited						
UK Equity Fd CI A Series 01	£ 3080.40	3080.41	-21.75	-	-2.98	13.94
Diversified Absolute Retn Fd USD CI A2	\$ 1688.02	-	45.93	-	-1.51	1.32
Diversified Absolute Return Stly Cell A2	£ 1579.00	-	-1.96	-	0.70	2.45
Global Equity Fund A Lead Series	£ 1747.15	1747.16	-5.31	-	-1.04	6.13

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Platinum Capital Management Ltd (UK) (Regulated)						
www.money.com/charities/Free/Flowing/0906/917/4477						
Other International Funds						
Platinum All Star Fund - A	\$ 164.99	-	-	-	9.63	2.08
Platinum Global Growth UCITS Fund	\$ 9.44	-	-0.07	0.00	6.91	-13.39
Platinum Essential Reserve UCITS Fund USD A (Dist)	\$ 9.42	-	-0.70	0.00	-19.83	13.34
Platinum Global Dividend UCITS Fund	\$ 47.13	-	0.80	0.00	-0.88	-8.10

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Rubrics Global UCITS Funds Pic (IRL) (Regulated)						
www.rubricsam.com						
Rubrics Emerging Markets Income UCITS Fund	\$ 143.42	-	0.11	-	2.76	0.65
Rubrics Global Credit UCITS Fund	\$ 17.96	-	-0.01	-	6.01	-0.43
Rubrics Global Fixed Income UCITS Fund	\$ 178.51	-	-0.24	0.00	4.59	-0.39



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Marwyn Asset Management Limited (CYM) (Regulated)						
Marwyn Value Investors						
Marwyn Value Investors	£ 328.72	-	-6.14	0.00	-	-1.17

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Private Fund Mgrs (Guernsey) Ltd (GSY) (Regulated)						
Monument Growth 30/07/2024						
Monument Growth 30/07/2024	£ 576.84	582.49	1.73	0.85	7.81	2.60

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
SICO BSC (e) (BHR) (Regulated)						
www.sicobank.com						
Khaleef Equity Fund	\$ 638.88	-	2.47	0.00	2.30	8.20
SICO Kingdom Equity Fund	\$ 39.28	-	-0.43	0.00	4.14	8.99
SICO Gulf Equity Fund	\$ 168.34	-	-0.17	0.00	2.42	8.30

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Prusik Investment Management LLP (IRL) (Regulated)						
Enquiries: 0207 493 1331						
Prusik Asian Equity Income B Dist	\$ 164.07	-	0.96	-	-1.69	1.62



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Purisima Investment Fds (UK) (1200)F (UK) (Regulated)						
3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL						
Order Desk and Enquiries: 0345 922 0044						
Authorised Inv Funds						
Authorised Corporate Director - Waystone Management (UK) Limited						
Global Total Fd PCG A	507.94	-	9.84	0.27	20.81	8.05
Global Total Fd PCG B	500.63	-	9.69	0.07	20.51	7.78
Global Total Fd PCG INT	489.72	-	9.47	0.00	20.21	7.51

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Stonehage Fleming Investment Management Ltd (IRL) (Regulated)						
www.stonehagefleming.com/gbi						
enquiries@stonehagefleming.com						
St Global Best Ideas Eq B USD ACC	\$ 286.37	-	3.19	-	6.09	-2.19
St Global Best Ideas Eq D GBP INC	£ 317.85	-	3.97	-	6.14	0.69

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Purisima Investment Fds (CI) Ltd (JER) (Regulated)						
PCG B *	387.70	-	-4.00	0.00	17.27	3.76
PCG C *	375.62	-	-3.88	0.00	17.01	3.54



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Milltrust International Managed Investments ICAV (IRL) (Regulated)						
mimi@milltrust.com, +44(0)20 8123 8316 www.milltrust.com						
Milltrust Global Emerging Markets Fund - Class A	\$ 85.44	-	1.62	0.00	-12.17	-12.19



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Milltrust International Managed Investments SPC (Regulated)						
em@milltrust.com, +44(0)20 8123 8315 www.milltrust.com						
Milltrust Absolute Real Estate Fund SPA	\$ 80.21	-	7.74	0.00	-21.80	-0.11
Milltrust Laurium Africa Fund SPA	\$ 103.03	-	1.68	0.00	5.36	-0.52
Milltrust Marcellus India Fund SP	\$ 161.25	-	3.39	0.00	20.67	5.30
Milltrust Singapur ASEAN Fund SP Founders	\$ 148.34	-	4.07	0.00	14.98	-2.40
Milltrust SPARK Korea Equity Fund SPA	\$ 124.65	-	4.69	0.00	-4.55	-11.09
Milltrust Singapur Chira Fund SPA	\$ 73.35	-	0.31	0.00	-26.77	-21.98
The Climate Impact Asia Fund SPA	\$ 65.84	-	0.93	0.00	-19.35	-13.66

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Ram Active Investments SA (UK) (Regulated)						
www.ram-ai.com						
Other International Funds						
FAM Systematic Energy Markets Eq	\$ 240.35	240.35	0.40	-	8.21	0.94
RAM Systematic European Eq	€ 590.95	590.95	-1.53	-	12.48	0.00
RAM Systematic Global Sustainable Income Eq	€ 176.34	176.34	1.69	0.00	13.63	3.79
RAM Systematic Long/Short European Eq	€ 168.65	168.65	-0.04	-	16.99	4.03



Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Superfund Asset Management GmbH (UK) (Regulated)						
www.superfund.com, +43 (1) 247 00						
Other International Funds						
Superfund Green Gold	\$ 962.97	-	-1.83	-	4.81	-13.52
Superfund Green Silver	\$ 762.81	-	-9.43	-	-2.11	-19.29
Regulated						
Superfund Green US\$	\$ 628.48	-	-1.40	0.00	-9.22	-18.57
Superfund Black Blockchain EUR	€ 15.81	-	-0.58	0.00	36.29	-
Superfund Gold Silver & Mining EUR	€ 10.84	-	-0.03	-	-	-

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Royal London (UK) (Regulated)						
80 Fenchurch Street, London EC3M 4BY						
Authorised Inv Funds						
Royal London Sustainable Diversified A Inc	£ 2.59	-	0.02	1.31	11.07	0.51
Royal London Sustainable World A Inc	401.00	-	5.80	0.69	12.83	1.84
Royal London Corporate Bond Mth Income	77.71	-	-0.02	4.91	11.31	-2.26
Royal London European Growth Trust	224.80	-	1.90	1.71	7.32	3.66
Royal London Sustainable Leaders A Inc	857.00	-	12.50	1.48	11.03	3.40
Royal London UK Growth Trust	676.20	-	9.50	2.03	12.49	2.59
Royal London UK Income With Growth Trust	219.50	-	1.80	4.55	15.65	5.55
Royal London US Growth Trust	493.90	-	8.90	0.02	20.43	11.76

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
Thesis Unit Trust Management Limited (UK) (Regulated)						
Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP						
Authorised Funds						
TM New Court Fund A 2011 Inc	£ 20.52	-	0.15	0.56	6.82	0.63
TM New Court Fund - A 2014 Acc	£ 20.82					

WORK & CAREERS

Are you a lifeguard? Well then you can't work from the beach



Rutherford Hall
Critical Comms

Messages from the archive of Rutherford Hall, critical communications strategist

WhatsApp to Stephen: You're kidding? Can Alan work from the seaside over August? I don't know. Is he a lifeguard? No, well then obviously not. This is getting ridiculous. We already offer early close Fridays in summer; we allow people to work from home up to twice a week, but pretending you are at work because you answer a few emails and take your mobile to the beach is going too far. There is no such thing as Waterfront Wednesdays, Mai Tai Mondays or Just Popping out for a Pub Lunch and Long Walk up the Coast Thursdays.

WhatsApp to Stephen: We are a client-facing business. We need to be where the clients are, so unless they are all in Southwold — actually you can't rule that out — I don't see how this works. We want our people out hustling. I know things slow down over August but that's why we encourage people to take their holidays then.

WhatsApp to Stephen: That's different. I am not claiming to be at work while I'm in Como. I'm taking holiday but doing some work during my annual leave.

WhatsApp to Stephen: Do you have

any idea how much a villa at Bellagio with a pool and a view of the lake costs? If I billed the company for every hour I worked on holiday, I could afford to eat every day at the Villa d'Este. I'm off but will jump on a quick call because I own the business.

WhatsApp to Stephen: Sorry, mate, co-own obviously. And no, I'll probably eat there only two or three times a week. Anyway, I'm going to draft a note to staff on this.

WhatsApp to Stephen: Yes, I'll show it to you first. And the last one did not begin: "Hello slackers". That was just someone's idea of a joke.

From: Rutherford@monkwellstrategy.com
To: All@monkwellstrategy.com

Hi, Stephen and I have had a few inquiries about whether staff can work from their holiday location over August. I understand the appeal. It means you can save leave days and spend longer with your families. But we also want you to take your holidays.

We want to be flexible. You can already leave after lunch on Summer Fridays. Our existing WFH rules also mean you can take long-weekends and work from a holiday home Monday and Friday. We will try to help in special cases, but we cannot agree to a

general policy of whole weeks working full-time outside London or the UK. We need to be where our clients and their interests are. Surf, sun, summer and sand sound so much better with Saturdays and Sundays.

Best, Rutherford
Find me on Strava, KoM Sydenham Hill, PR Al Jubailah/Bawdah Loop

WhatsApp to Alan: I'm sorry Alan, but there is a line between work and holiday and we have to draw it.

WhatsApp to Alan: It's nothing to do with not trusting you. It's about the culture of the company.

WhatsApp to Stephen: Of course I don't trust him. No one works as hard from holiday. They just do what's necessary to tick over. And he doesn't work that hard from the office. If it wasn't for the fact we can tell clients he once worked for Rachel Reeves, he'd be toast.

WhatsApp to Alan: I consider that reply disrespectful. My three weeks in Como are holiday, taken as part of my annual leave. I may interrupt my holiday to work but that's on me.

WhatsApp to Stephen: Stephen, did you tell Jean she could work from abroad while her family is on holiday? You might have mentioned that before I sent the memo. We are

Surf, sun, summer and sand sound so much better with Saturdays and Sundays

meant to specialise in communications. **WhatsApp to Jean:** If Stephen agreed to it, that's fine. But can we say this is a special case?

WhatsApp to Jean: I'm not asking you to lie to colleagues. Just hoping you could help me out.

From: Rutherford@monkwellstrategy.com
To: All@monkwellstrategy.com

Further to my note on summer working. There's been some confusion which saw some private arrangements made before my note went out. We can't have different rules for people. So we will agree to working away from the office over August this year. We will monitor this closely but, let me stress, this is not a precedent.

Best, Rutherford
Find me on ...

WhatsApp to Stephen: OK, if we have to do this, let's make sure they aren't taking the piss. No 9am or 4.30pm calls. I want all team calls scheduled for the middle of the day. Ideally between 11 and 3.30. And mix up the times.

WhatsApp to Stephen: No I won't blur my backdoor on zoom. I really am on holiday, remember.

Messages recovered by Robert Shrimley

Management



'Ill-ish' and the new rules of working when sick

A Covid outbreak has left staff wondering whether to skip work, come in, or do something in between, writes *Daniel Thomas*

Being truly sick has gone the way of being truly on vacation for many workers," says Ann Francke, chief executive of the Chartered Management Institute, reflecting on how the combination of Covid-19 and regular working from home has led to fresh uncertainty over rules around when and how to do our jobs.

"It's the new age of ambiguity: are you well enough to work? Are you ill enough to take time off? Who decides?"

The arrival of a rampant summer outbreak of Covid has led to many employees asking such questions for the first time in many months, with managers equally puzzled about when and how their staff should be working as they juggle illness with holidays and family commitments.

The rise of working from home has in particular meant that rules can be opaque for staff facing the sorts of symptoms that suspected cases of Covid and other cold-like illnesses bring. Often these are mild enough to cause workers to second guess their symptoms, exacerbated by a lack of testing. Few workplaces now mandate the need to test for suspected Covid.

HR professionals worry there is a lack of clarity over when a person is ill enough to take time off, when many office jobs can be done as easily from home, near a bed.

One manager of a large financial services business describes the feeling faced by many as "ill-ish": feeling poorly enough to not want to drag yourself into the office but not sick enough to turn off the computer and stay in bed.

The problem here, she says, is that the people who end up working — probably in a way they would have avoided before remote working became so prevalent — can often take longer to get better or risk getting worse.

The CIPD, the professional body for HR and people development, found in a survey of more than 5,000 workers last year that more than half of employees had done their job despite not feeling well. The pressure to do so, it found, was from the employees themselves rather than the boss.

Amanda Arrowsmith, people and transformation director at the CIPD, says there is now a risk that people will be "ill for longer" given the uncer-

Many workplaces have policies designed to stop the spread of illness; not about the wellbeing of the person

tainty over whether to take time off.

The issue is not necessarily with management, who may not even see or know what their workers are doing or feeling if they are habitually working from home.

"WFH blurs the boundaries with illness just as it does for working time," says the CMI's Francke. The focus, she adds, is now often about the needs of an organisation rather than the worker. "Many workplaces have policies designed to stop the spread of illness to others: it's not about the wellbeing of the person."

Covid cases rose sharply in the UK this summer, with the number of people in hospital with Covid at the end of June about twice what it was in April. While those numbers are no longer an accurate estimate of infections given that fewer people test or develop bad enough symptoms, companies are experiencing rising numbers of cases among staff in the wake of people celebrating the Euro football tournament, and attending summer gatherings and music festivals.

And it is not just Covid. Cases of whooping cough, which can take many weeks to pass, are also rising this year alongside other colds and sore throats.

The UK's workplace health regulator, the Health and Safety Executive, says that if a worker has Covid-19 they should try to stay at home, but businesses no longer need to consider the issue in their risk assessment or have specific measures in place. Whether or not there should be a new etiquette around Covid, as opposed to a more traditional cold or flu, still feels uncertain to many.

For workers, the government's Acas employment arbitration service says that when someone has been off sick

with Covid and is ready to go back to work, "they should talk with their employer as early as possible" but "there is currently no legally required length of time someone with Covid should stay off work".

It is up to the employer to decide how to record absences if it is not safe for the workers to return to the workplace, Acas adds, including when a worker tests positive but is not ill. In such cases, it says, "it is unlikely to be sickness absence".

The problem is that illnesses such as Covid affect people in different ways — from barely registering symptoms to full-on bedridden ordeals — which can make giving advice more difficult, according to HR executives.

"During [the pandemic] there were clear guidelines. Now people are wondering what they should do," says Arrowsmith.

The CIPD survey has found the highest rate of sickness absence in a decade — about 7.8 days per employee per year — owing to the impact of Covid on the UK workforce.

But Arrowsmith points to another worrying statistic: the CIPD has found that "presenteeism" is prevalent, with about three quarters of respondents in a survey last year reporting that they were aware of people working when ill over the previous 12 months.

Nearly two-thirds of respondents also reported some sort of "leaveism" — where employees use allocated time off, such as annual leave, to carry out their work despite feeling unwell rather than register these days as sick leave.

trying to work out the "new normal" in terms of how workers need to treat illnesses and when they should feel able to work.

But she says working from home has also brought benefits, with some workers embracing the flexibility of being able to work the hours they need rather than feeling forced to go to an office.

"People can often feel worse in the morning, for example, so a flexible time-keeping arrangement can really help," says Wilson.

Arrowsmith of the CIPD agrees that there are advantages for those that can work from home when dealing with minor ailments, or conditions that can best be treated at home. "For some people it works: they don't have to face a Tube, or car journey but feel they can still work."

For HR and management experts, the key to navigating the new rules of when to work with illness is all about communication: managers knowing their staff well enough to know when something is wrong, regardless of whether they are at the office or not, and staff able to rely on their bosses for support and understanding. Employees tend not to discuss their health issues with their boss or employer, the CIPD has found.

Arrowsmith says that "good line management is recognising when people are ill and having good communication so that people feel they can take time off when they need to".

Francke adds: "Managers need to create an environment that is respectful to the employee and what they need to stay healthy and productive. There are now all shades of grey when dealing with work so we need to be flexible on both sides."

Office life

Did summer holidays worsen market turmoil?

Global stock sell-off in August left junior traders alone to deal with crisis, writes *George Steer*

Market convulsions that briefly wiped more than \$1tn from

Japan's main stock index and sent shares in megacap tech groups plummeting have been blamed on a cocktail of factors, from the unwinding of the yen carry trade to fears of an impending US recession.

But for those managing the rout, the crisis was shaped by a seasonal workplace quirk: summer holidays.

Senior investors scrambled to respond to the global sell-off from their holiday homes, and junior traders struggled to keep up with the unfolding chaos as markets plunged then recovered this week. Those left at their desks said a lack of liquidity — the volume of money shifting around world financial markets, slowed by thin staffing over the holidays — made the market ructions worse.

"It was a perfect volatility event at the worst possible time... If everyone's away for the summer and you don't have enough liquidity when something like that happens, you've got a big problem," said Dan Scott, head of the multi-asset boutique at Vontobel. "Everyone was stuck in the same trades and then suddenly we had a change in the paradigm."

The few traders not yet sunning themselves in warmer climes described frantic office scenes on Monday as Japan's Topix index suffered its sharpest sell-off since October 1987.

"One guy I know was going to see the field hockey at the Olympics, on the Eurostar," said one trader who asked to remain anonymous. "He went into the tunnel and had no connection right when contagion was spreading. Eurostar's WiFi or lack of it probably cost him millions."

The workplace phenomenon of an August slump — when productivity dips as staff go on holiday — is familiar in many sectors. In hospitals, some studies suggest mortality rises at the height of summer, in part because doctors are on leave.

In finance, skeleton staffing and illiquidity in August bringing greater volatility has become a market truism. But there is some data to back up the clichéd advice to "sell in May and go away".

One study of 51 stock markets "confirm[ed] a widely held belief that stock turno-

ver is significantly lower during the summer because market participants are on vacation". Returns were lower, too. Another dubbed liquidity shifts linked to national holidays, including negative returns preceding them, the "festivity effect".

Ahead of Monday's historic losses liquidity was "draining from the markets across all assets", Citi analysts said. The group said in a note to clients this week that buy and sell orders in the Treasury market were running at 30 per cent of the usual depth.

"The summer effect is big," said Rich Rosenblum, co-chief executive of crypto market maker GSR, who added that listings for new alt-coins are at multiyear lows. "If we were to have 10 listings this week I'd call some of my guys and girls back from summer to help. But we have no listings."

One junior trader at a hedge fund in the US told the FT that their manager remained on holiday and left them to respond alone to some of the worst market turbulence in years.

An out-of-office reply from a trader at a large European bank featured a picture of US hip-hop artist Snoop Dogg

'It was a perfect volatility event at the worst possible time'

looking aghast with the caption "me returning from holidays and watching the market open".

Guy Stear, head of developed markets strategy at Amundi, said "you should be somewhat suspicious of violent market moves" in the first week of August.

The magnitude of moves "is perhaps as much about the lower liquidity we see at this time of year as the scale of any reset in sentiment or economic outlook", Oliver Blackburn, portfolio manager at Janus Henderson, said.

"We do an internal call every day, usually about 100 people join. [On Monday] we had 300 — in August," said Max Kettner, chief multi-asset strategist at HSBC. "That tells you something about the mood right now."

But there were pockets of calm elsewhere. One currency trader at a large European lender said their desk was "actually not that busy".

"Unless you have risk on and are getting out, people tend to sit back and watch on days like that," they said. "Otherwise it's like trying to catch a falling knife."

Additional reporting by *Nikol Asgari, Leo Lewis and Arjun Neil Alim*

ARTS

Much more than just the Louvre Pyramid

Hong Kong's M+ museum shows how IM Pei defied architecture's stereotypes in his enigmatic buildings. By Edwin Heathcote

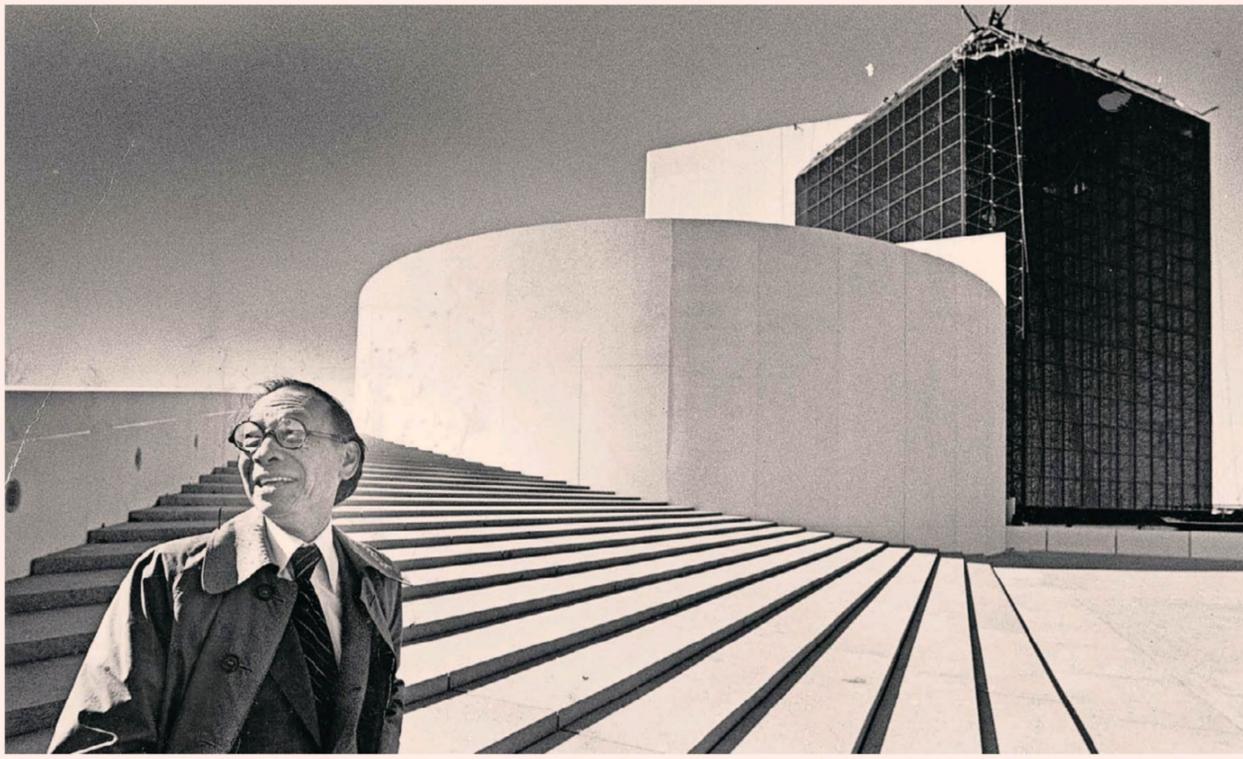
IM Pei, the Chinese-American architect who died in 2019 at the age of 102, seems a perfect choice for the inaugural architecture exhibition in Hong Kong's vast M+ museum. His towering Bank of China tower is visible over the water; like Hong Kong itself, his career straddled east and west, finance and art, commerce and culture. From his striking addition to the National Gallery of Art in Washington DC (1978) to his serene Museum of Islamic Art in Doha (2008), not to mention the controversial glass pyramid at the Louvre, you could call him the world's first starchitect.

Yet this huge show, one of the largest devoted to an architect anywhere in years, does not entirely endorse this narrative. Instead it suggests that Pei was a member of a team, not solely responsible for his buildings but a figure who guided from the background. This is, of course, how architecture is mostly made – even if it is not the narrative we are used to.

It is notable that there are no drawings in Pei's hand here later than his student years; no napkin sketches, presentation drawings, conceptual diagrams – nothing. If it weren't for occasional video footage of him playing on screens, he would be almost entirely absent. Yet it is arguably this quality that makes him such a fascinating, enigmatic figure.

Instead, this is an exhibition about production, the work of an office. There are technical drawings alongside perspectives made for presentation, drawings for building as well as presenting. The sketches here (by colleagues) are not of the romantic lone genius kind, but rather scruffy scrawls, drawing as a way of working through a problem.

Teoh Ming Pei was born in Canton (Guangzhou) in 1917, the scion of a wealthy family, descendants of the Ming



IM Pei stands outside the Kennedy Presidential Library in Boston. Above right: his Oversea-Chinese Banking Corporation Centre in Singapore — Boston Globe, BEP Alinek

dynasty. He went to study architecture in the US, where he was taught by Bauhaus founder Walter Gropius and became friends with another Bauhaus émigré, Marcel Breuer.

But his start came as a result of his relationship with the cigar-chomping real estate developer William Zeckendorf and his firm Webb & Knapp. In 1948, Pei leapt straight into the cut-throat world of commercial development, developing a reputation as a sensible, reliable, sometimes pliable architect, acceptable to corporate America. Even as a much older man, he maintained the well-tailored appearance of mid-century Midtown; woolen suits (whatever the weather), tie, French cuffs and the

round, horn-rimmed glasses which recalled one of his idols Le Corbusier and made him look a little like Mole from *The Wind in the Willows*. One pair of glasses occupies its own vitrine here.

Together with Webb & Knapp, he built across the US, from Texas to Washington DC, some notable and some forgettable structures resulting. Pei got his break on his own with the enigmatic National Centre for Atmospheric Research outside Boulder, Colorado (1961-67). A complex piece of Brutalism set against the sublime backdrop of the Rockies, this was a building which blended the grandeur of antiquity and the drama of topography with a strong composition of light and shadow.

It led to his commission in 1964 to design the John F Kennedy Library in Dorchester, Boston. Jacqueline Kennedy had been charmed by Pei but the project was fraught with difficulty (changes of site after political objections, construction problems and progressive reductions in size); it was not completed for 15 years. Pei freely admitted its imperfections, yet it was this building that announced him to the world and set in place a style that became distinctive: triangular atriums, glass walls on a high-tech steel structure, soaring internal space and prow-like angles. Wandering around the show, the recurrence of these forms becomes clear, almost a little ridiculous, the motifs reappearing in every building and at every scale whether seemingly suitable or not.

The two projects that made Pei a household name (inasmuch as architects ever become household names) were the National Gallery of Art's East Building (1968-78) in Washington, DC, and the Louvre Pyramid. Both were fraught interventions in much-loved classical buildings, both mostly vindicated. Their geometry, the scale of their public spaces and their democratic generosity awed a public which had become bored with late Modernism's banality.

The line drawings aren't especially revealing, but the renderings, by professional illustrators including the excellent Helmut Jacoby, J Henderson Barr and Paul Stevenson Oles, are for me the best things in the show. The office's architectural drawings give little away – nothing of the massing or the space – so the illustrations were critical because Pei's style was difficult to describe.

He was sparing with colour, an exemplar of the white and grey which characterised late Modernism. Look over the water from the museum terrace towards the Bank of China Building with its triangular grid and spiked crown and there too you find an architecture drained of colour, the glass appearing black, the structure white, the base granite grey. Bank employees have stuffed the public spaces with plastic flowers and trees. Twinkling ice-blue LEDs subsequently added to the outside allow it to meld into Hong Kong's skyline, a final insult.

The corporate monumentality of Pei's architecture is revealed in clips from movies including Woody Allen's *Sleeper* and Paul Verhoeven's *RoboCop*, shot in the National Centre for Atmospheric Research and around Dallas City Hall respectively. But his late work softened some of that steely smoothness. Pei often said (including in a 2010 interview with the FT) that he was a western



architect, but that the Chinese in him had somehow survived.

In the last decade of his life, he acknowledged Asian and historic precedents more directly. In his Western New pavilion for the Suzhou Museum in China (2006) and in the Museum of Islamic Art in Doha (2008) he referred to historic forms and drew on memories of his childhood in a Suzhou summer house and its traditional garden. The show's curators suggest that this garden was an ever-present motif for Pei's conception of architecture: cool, controlled yet capable of delivering a surprise around each corner.

Pei himself was loath to grant permission for an exhibition in his lifetime; this is the first, five years after his death. If the architect has not accrued quite the same prestige or cult status as rivals such as Mies van der Rohe, Oscar Niemeyer or Louis Kahn, it is perhaps partly because he lacked a body of theory. As well as there being limited drawings, there are only a smattering of letters, interviews and brief explanatory texts on display here. For him the building should stand on its own, without a barrage of justification or spurious theoretical underpinning.

That slight absence of reflection makes it doubly striking to encounter a short film of him in the very last room, sitting in his impeccable suit beneath a big tree being asked how he feels about his buildings. He grins perhaps a little too broadly and replies, with an anxious laugh, "Mixed feelings".

To January 5, mplus.org.hk



IM Pei's Louvre Pyramid — John Kellerman/Alamy

A-list stars lured to audio stories

PODCASTS

Fiona Sturges



Should you need evidence that fiction podcasts are no longer a niche interest, consider the megastars currently being tempted into the sound booth. Once a low-budget genre typically aired on late-night radio, audio fiction has now migrated to podcasts along with much of the big acting talent.

The last month has brought two starry new fiction pods. The first, *Tom Slick: Mystery Hunter*, features Owen Wilson and Sissy Spacek and concerns "the most interesting man you've never heard of". Slick (Wilson) is a scientist, explorer and alleged spy whose story unfurls via a series of recordings found in his daughter's house long after his death. In the first episode we find his granddaughter, Liv (Schuyler Fisk), braving the bats in her mother Claire's (Spacek) attic to retrieve the tapes, after which the two of them crack open a bottle of wine and press play.

From there, the drama splits into two timelines: one with Liv and Claire listening to the tapes and gasping at the contents, and the other featuring the voice of Slick as he narrates his own story, starting with his early years in Texas as the son of a self-made oil tycoon. Slick Sr's fortune came during the Oklahoma oil boom of the 1910s

and he left a \$75mn fortune which allowed his son to pursue his ultimate dream: to find the Himalayan yeti.

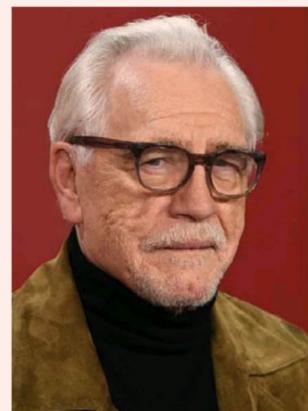
His early life was nothing if not eventful. When Slick was 14 his father died, meaning he was "forced to be a senior when all I knew was how to be his junior". Several years later, his home was invaded by the notorious robber George "Machine Gun" Kelly, who took his stepfather hostage. Before turning his attention to the yeti in the late 1950s, he is said to have worked for the CIA chasing down fugitive Nazis.

Wilson is well cast in the title role, an Indiana Jones-meets-Edmund Hillary figure bursting with charisma and derring-do, while Spacek is a more down-to-earth presence as the daughter posthumously getting to know her father. The soundscaping is

excellent: ambitiously multi-layered and noisy in a way that is entirely fitting for a rollicking and bingeable action-adventure series.

Unsinkable, another tale of heroism and adventure, comes similarly laden with A-listers, featuring *Succession*'s Brian Cox, John Malkovich and Thomas Brodie-Sangster. It is inspired by the true story of a ship, the San Demetrio, which made the perilous journey across the Atlantic during the second world war while dodging German battleships and U-boats. The sound design is impressive – this is a pod best heard on headphones – and the cast acquit themselves well. But the series is hamstrung by a script full of clichés and maddening exposition.

podcasts.apple.com/wonderly.com



Brian Cox, left, and Owen Wilson

fDi
Intelligence



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FT BIG READ. TAXATION

Some countries are tightening tax rules for well-off foreigners in response to a public and political backlash. But others are competing hard to offer the super-rich a new home.

By Emma Agyemang

The battle to woo the world's wealthy

Europe's multimillionaires are restless. In the UK, the new government's decision to axe a tax regime that benefited wealthy foreigners has led to a flood of reported relocations.

In France, the lack of political clarity following snap parliamentary elections in July, which left an alliance of leftwing parties as the largest bloc, has prompted many wealthy people to make contingency plans to leave should a divisive wealth tax be reinstated.

Since changes to Norway's wealth tax and capital gains tax regime in 2022, a steady stream of millionaires and billionaires has decamped to Switzerland.

It has never been so easy for the super-rich to relocate. As a result, the competition to attract wealthy people using tax sweeteners, citizenships or paths to residency has also intensified. Jurisdictions such as Dubai and Singapore are muscling in on traditional territories such as the UK, Switzerland and Monaco.

Before its recently scheduled abolition, the UK's "non-dom" system was the world's longest-lasting tax-privileged regime, with roots going back two centuries to the colonial era. It allowed foreigners who reside in the UK but consider themselves domiciled overseas to avoid paying UK tax on overseas income and capital gains for up to 15 years.

But in March, the previous Conservative government announced it would replace the regime with a new four-year system. Its Labour successor has indicated it will further curtail the scheme's benefits. Labour has also vowed to close the lucrative "carried interest" loophole widely used by private equity partners, many of whom are also non-doms.

The second-most well-established regime of tax privilege is Switzerland's, which has been around for more than a century. It operates a lump-sum taxation or "forfait" system, whereby wealthy individuals reach bespoke agreements with local cantonal authorities regarding the taxes they pay. The most recent national figures show over 4,500 people paid tax in this way.

But over the past couple of decades, several new contenders have introduced tax-privileged systems purposely designed to entice wealthy foreigners, including Cyprus, Greece, Italy, Malta, Portugal and Spain.

Further afield, city-states Dubai and Singapore have also been vying to attract wealthy expats with offers of low or, in the case of Dubai, no income or capital taxes for individuals. That has reinforced a trend for millionaires and multimillionaires to use sticks and carrots, according to research by Henley & Partners, a global migration advisory firm. Tax is often a key factor in the decision of such wealthy émigrés.

"They may be difficult to justify politically – because at the end of the day you're giving a favour to rich people"

The firm tracks the movement of more than 150,000 wealthy individuals. It forecasts that in 2024, a record 128,000 millionaires will relocate, eclipsing the previous record of 120,000 set last year.

Dominic Volek, head of private clients at Henley & Partners, described the great millionaire migration as "a canary in the coal mine" for profound shifts in the global wealth landscape that could have significant effects on the countries they leave or adopt.

Government's value the wealth and consumption that the rich bring, but there are also risks of a backlash from local populations if an influx of wealthy foreigners pushes up local property prices, puts strains on public infrastructure or results in over-gentrification.

In the past year alone, three of Europe's most popular tax-privileged regimes have tightened their offers in response to political pressure. In addition to the UK's overhaul of the non-dom system, Portugal shut its original non-residents programme last year and launched a new system this year that is no longer available to those whose income comes from pensions. Nordic nations had complained that the old system lured retirees, who stopped paying tax in their home countries.

Last week, Italy suddenly doubled an annual flat tax on the foreign income of new residents to €200,000. One international tax adviser privately admits



Newer jurisdictions such as Dubai, right, are muscling in on traditional territories such as the UK
FT montage/Getty Images

that tax-privileged schemes are always likely to attract political ire from locals unless they manage to keep out of the spotlight.

"They may be difficult to justify politically – because at the end of the day you're giving a favour to rich people," the adviser says.

The wealth and spending that the super-rich bring to a country is the main motivation for rolling out the fiscal red carpet. But some countries do also require wealthy foreigners to pay some tax. Often the amounts paid are not insubstantial. For instance, the latest figures show £8.9bn was paid by 74,000 non-doms in the UK.

"The main benefit is these people will consume more than the average person," says Sean Bray, director of European Policy at Tax Foundation Europe. "So governments are willing to give some relief on the income tax side to gain more on the consumption tax side."

He adds that the three main approaches are to create millionaires, retain millionaires or attract millionaires from other countries. In practice, many countries try to tick off all three.

However, wealth managers report that the competition to attract rich migrants seeking to avoid potential higher levies elsewhere is particularly fierce at the moment, driven partly by clampdowns in rival jurisdictions.

Advisers in countries including Italy, Switzerland and the UAE say they have been fielding more inquiries from UK-

based non-doms looking to relocate. "There are plenty of territories that see the UK's non-doms as up for grabs," says Tim Stovold, partner at Moore Kingston Smith, a UK based accountancy firm.

Anthony Richardson, a barrister at

128,000	€200,000
Millionaires set to relocate in 2024, according to Henley & Partners	New flat annual income tax for those taking Italian tax residency

London-based Church Court Chambers who regularly handles international tax matters, says many wealthy individuals are concerned about the general direction of travel in western countries. "As a result of the massive amount of debt that governments took on [during] the pandemic, we started to see an exodus of the millionaire and billionaire classes out of the UK and other places to places like the UAE," he says. "What they see as a danger is that their wealth will be seen as readily available cash," he adds.

"I wouldn't say the efforts to attract those people have intensified, I would say the exodus has intensified."

Paul Donovan, chief economist at UBS global wealth management, adds that the migration of millionaires is also being driven by "structural upheaval in global wealth" including the impact of sanctions on many wealthy Russians and the desire of many business owners to live closer to their businesses.

Last month, UBS published a report forecasting the UK and Netherlands would lose the most millionaires by 2028 – falling by 17 per cent and 4 per cent respectively. The two countries bucked a worldwide trend in which the number of millionaires is set to rise in 52 out of 56 countries that the bank monitors. Its data includes those who have become millionaires through wealth creation as well as émigrés.

Donovan says this is partly because there were a disproportionately high number of millionaires in the UK and Netherlands relative to the size of their economies. As a result, any structural upheaval affecting nomadic millionaires would be more likely to have an outsized impact in both countries.

Others point to changes in the international financial landscape during the past decade which have had an impact on the ability of the super-rich to shelter

their wealth. "Historically people would stay in their own country and stash their money abroad in tax havens," says Pascal Saint-Amans, a former head of tax at the OECD. "But the end of banking secrecy and the increase in the exchange of information... has meant if you don't want to be taxed in a country, you leave the country."

Relocation decisions are not just about tax rates.

Emma Chamberlain, a UK-based adviser on international tax issues at Pump Court Tax Chambers, says factors such as security, education, business infrastructure, stability, culture and community are also important – and that individuals often move where colleagues, friends or relatives are based.

Philippe Pulfer, who as a partner at Swiss-based law firm Walder Wyss helps wealthy people decide where to live, stresses that for many, economic and political stability is very important.

"The trend that we see is that families are no longer that static and they may change place of residence more easily than they did in the past. But even when that is the case, they like stability," Pulfer says. "They want to relocate to a country that is not subject to rapid political changes."

The UK's vote to leave the EU was one such change. Henley data shows the country suffered a net loss of 16,500 millionaires between 2017 and 2023.

China is also suffering from an exodus of super-wealthy citizens following its draconian zero-Covid policies and President Xi Jinping's "common prosperity" agenda of redistributing wealth.

Bray agrees that "economic stability and tax stability" are highly prized but adds that while tax may not be the sole driver of decisions, it is certainly a bigger factor for the rich than it would be for low- to middle-income workers.

"High-net-worth capital owners are highly mobile. They tend to respond to incentives and have the means to take advantage of them."

Chamberlain adds that as a general rule, Europeans working in private equity have until recently liked the UK and are gravitating to Italy, especially Milan, while Dubai and Singapore are places of more interest to Asians. Peter Ferrigno, director of tax services at Henley & Partners, says Cyprus and

Malta appeal because they do not tax foreign dividends. He adds that for Europeans "who need to be closer to their home markets", Greece and Italy remain popular because of their maximum flat tax rates. In Greece, this is €100,000 a year – which he says for anyone earning over around €250,000 is very attractive.

Marco Cerrato, a partner at Maisto e Associati, a law firm with offices in Italy and the UK, reports that this year the top three destinations for wealthy expats wanting to relocate to have been Italy, Switzerland and Monaco.

However, certain other countries have also fallen by the wayside. "When Portugal ended its regime for new residents, all eyes turned to Italy. Now they've just decided to put the price up which no doubt will limit the number of people who will take up the regime," says Stovold, of Moore Kingston Smith.

Wealth managers say this illustrates the risks of moving country based on

'Capital owners are highly mobile. They tend to respond to incentives and have the means to take advantage of them'

tax sweeteners – they can change swiftly if the political wind shifts.

Pulfer adds that there is little schadenfreude in Switzerland about the changes to the UK's regime. "For a long time, the two obvious countries for wealthy individuals, the two blue-chip jurisdictions, were the UK and Switzerland," he says. "I don't think it's to the advantage of Switzerland that [the non-dom system] is going away in the UK."

"Competition [between jurisdictions] is healthy and it tells the authorities to keep taxes at a reasonable level."

Giorgia Meloni, Italy's prime minister, said the decision to double the price of entry to its flat-tax regime was because the government wanted to "mitigate a measure that seemed extremely generous".

Her government also says the country wanted to avoid a race to the bottom with other nations trying to lure individuals and companies through tax breaks.

Finance minister Giancarlo Giorgetti says: "If this competition starts, countries like Italy – which has very limited fiscal space – are inevitably destined to lose."

There has also been disquiet in Milan, which has become a magnet for the super-rich thanks partly to the flat-tax regime, which has been dubbed "svuota Londra", or "empty London". Over 2,700 super-rich individuals have moved to Italy since it came into force in 2017, but some Milanese complain of soaring property prices.

In Switzerland, between 2009 and 2012, some cantons voted to abolish the use of the forfait system, including Zurich. The Swiss voted in a 2014 federal referendum to keep lump-sum taxation rules, but there are ongoing debates about whether levies, specifically inheritance taxes, should be increased on the wealthiest.

Pulfer and other advisers, along with their clients, are well aware that other countries could introduce more restrictions on existing tax privileged systems, and not only because of local pressure.

At a global level, discussions at the G20 have centred on whether a worldwide minimum tax on billionaires should be introduced, similar to the OECD's effort to set a global minimum corporate tax rate.

While the plan has not yet garnered sufficient support for implementation some see it as a sign of increased activity in this area. "I think you'll have calls for international tax rules to try and deal with this issue," predicts Grant Wardell-Johnson, global tax policy leader at KPMG International.

Volek says demand from the super-rich for stable, convivial and financially lenient havens remains as high as ever and that many places are still willing to cater to it. "The countries that adapt and innovate will be the ones that thrive," he said recently.

But Saint-Amans, formerly of the OECD, says while tax competition among countries is still "fierce", it is probably reaching its peak.

"The UK move is probably a signal that something is happening. Big countries that have benefited massively from these regimes are getting cold feet... and that's a reflection of the populism they're facing."



The FT View



FINANCIAL TIMES

'Without fear and without favour'

ft.com/opinion

Google's hold on the search industry

A landmark antitrust case could support faster innovation in the sector

It has not been the best of summers for Google. In July, shares in Alphabet — the search engine's parent company — dropped after its second-quarter earnings results underwhelmed investors. On Thursday, the Financial Times reported a secret deal that it had made with Meta to target advertisements to teenagers, which skirted its own rules for how minors should be treated online. But, the biggest hit to its business is likely to come from a ruling by a US federal judge, Amit Mehta, who on Monday found that the tech giant had violated antitrust law.

The four-year, 286-page case, brought by the US Department of Justice, called Google a "monopolist". It found that the firm spent billions of dollars a year on exclusivity deals with wireless carriers,

browser developers and device manufacturers. Tech rival Apple, the iPhone maker, was a significant beneficiary. Google paid the company \$20bn in 2022 alone, as part of a years-long agreement to make its search engine the default on Apple's Safari browser.

The findings shed light on malpractice in the search industry. Google has long maintained that because its search services are free, and market-leading in quality, its dominance of the sector is not harmful to consumers. While this case concedes some of Google's arguments, it helps establish that Big Tech firms with monopoly power can harm consumers in broader ways.

Indeed, Google's billion-dollar deals have helped it to entrench its position as the top search engine. That limits choice, stifles innovation and prevents other companies from gaining scale. Currently, the company controls 90 per cent of the search market, rising to 95 per cent for mobile devices. This traffic underpins its ad-based business

model, and drives the data flow to improve its services.

Antitrust cases against Big Tech firms often take years and are shrouded in complexity. That makes this case all the more significant. It could set a precedent by emboldening other judges with pending tech lawsuits and by deterring companies from making exclusivity deals. It may also lead to private civil litigation against Google by companies who feel they have been harmed.

All said, Alphabet's share price has barely budged since Monday's ruling. It will appeal the case, and the DOJ still needs to discuss remedial actions. One might be to force Google to separate its search engine from its Android phone operating system and Chrome browser. Another is to make Google's search data available for other companies. Both options are quite radical, difficult to execute and perhaps too retrospective.

It is better to tackle Google's ability to protect its dominance going forward. A sensible remedy would be to curb its

Ultimately, the tech giant may find that its biggest enemy has been itself, not regulators. Exposed to competition, it perhaps would have innovated more

ability to strike exclusive deals. Although that would hit Apple too — the payments it receives from Google are substantial portion of its \$85bn-a-year services business — it could give the iPhone maker the kick it needs to develop its own search business. Another option would be to ensure users can choose their search engine via a "choice screen" rather than having a default. This is mandated in the EU. It could extend choices to new artificial intelligence-powered search tools too.

Ultimately, Google may find that its biggest enemy has been itself, not regulators. Exposed to competition, it perhaps would have innovated more. A recent study found its search results had been throwing up more spam, and low-quality content. The company has also lost ground in the AI race. Perplexity, an AI search app, has recently been surging in popularity. With this landmark case, the door to even faster disruption in the search industry can hopefully be opened wider.

Opinion Society

Rioting has left Britain deeply shaken

Ben Hickey



Luke Tryl

Sustained outbreaks of disorder are rare in Britain. But the exceptional nature of the violent riots that have blighted towns in England and in Northern Ireland in recent weeks has only made them more shocking.

Beyond the immediate question of how to restore order, many are now wondering whether the riots reflect — as Reform party leader Nigel Farage suggested — the "unease" of "millions", or whether they are simply a handful of thugs egged on by far-right misinformation online.

The answer is important and will have profound consequences for the country long after the riots themselves have stopped.

New More in Common research attempts to answer that question. It finds that rather than attitudes to the riots sitting in two contrasting camps, one in favour and one

Rather than sitting in two contrasting camps, public opinion is more akin to Russian Dolls

opposed, public opinion is more akin to Russian Dolls. Smaller groups are willing to condone the riots but they are contained inside much bigger groups with opinions cited as motivation for the violence but who condemn it without hesitation.

The smallest group are those who express support for the unrest. At around one in 10 people, it is defined by the view of that 7 per cent of the public who say they are ashamed Britain is a multi-ethnic country, 8 per cent who think that violent demonstrations outside accommodation for asylum seekers are acceptable and the 11 per cent who have a positive opinion of Tommy Robinson, former leader of the now-defunct English Defence League. This group is also three times more likely than average (14 per cent) to say that the rioters speak for people like them.

While Reform UK voters remain a minority of this group, they are over-represented in it — with four in 10 Reform voters saying those at protests and riots speak for people like them.

Despite being small in size, this group's presence is amplified by the fact it is more active "online" — those who say the rioters speak for people like them are almost twice as likely than average to post about politics on social media.

They in turn are encompassed by a bigger group — between one in five and one in four of the public — which includes those who have sympathy with rioters' concerns but who do not believe rioting and disorder is justified.

Their views are best summed up by a Reform voter More in Common spoke to in the Essex town of Basildon this week, who said, "I understand why they're protesting but not the way they're going about it." These people are concerned about allegations of two-tier policing — 18 per cent of the public say the police treat ethnic minorities more favourably than white people.

When it comes to immigration, 23 per cent say the riots are born out of "legitimate concerns" — as opposed to 32 per cent who say the causes are far right ideology and racism and the 46 per cent who think they are driven by a desire to engage in violence.

While most people think a "far right" label for rioters fair, this group rejects it. They are the 18 per cent who say that intimidating asylum seekers at their accommodation is not far right behaviour and the 20 per cent who don't believe that committing vandalism while protesting against immigration policies is far right either.

But these groups with different shades of opinion about what defines "far right" should not be confused with a far bigger group — the majority of voters who believe that levels of immigration are too high, but most of whom have no sympathy for the rioters. Overall, 73 per cent of the public say that the riots are shaming rather than standing up for Britain, while the public overwhelmingly believe that those helping clear up after the riots (87 per cent) represent British values.

Many of this larger group are also concerned about what the riots say about division in our country. Three quarters of Britons (76 per cent) worry that far-right extremism is a serious issue, 75 per cent say the same of division between religions and 74 per cent that racism is a serious issue. Perhaps the most sobering of all, 53 per cent of Britons now say that the UK is unsafe for Muslims — which has doubled from 25 per cent in May.

If there is a reaction to the riots that sums up the mood of most Britons then it is not one of support for violence or of being sympathetic to rioters' point of view, but rather being deeply shaken. Their answer to that? A desire to deploy the full force of the law to stop them. Indeed, with 68 per cent of the public saying those rioters who commit criminal damage deserve jail sentences of over a year, the far bigger political risk would be in being seen to be too lenient in responding rather than too harsh.

The writer is executive director of More in Common UK

Letters

Scandal of the private finance initiative still hangs over NHS

John Hutton ("Labour should consider return to public-private partnerships", August 6) mentions the need to learn the lessons from the UK private finance initiative model for funding public infrastructure. But as several parliamentary reports have shown, those lessons have been learnt, and they are not pretty.

Two days after its election in 1997, Tony Blair's Labour government fired

the PFI regulator, Alastair Ross Goobey, as brilliant an advocate for public accountability as he was for shareholder rights.

There then followed a spending spree in the NHS, the result of which was to create an array of large and extremely expensive bespoke hospitals, a 30-year capital liability of £65bn, and a crippling annual cost to the taxpayer.

In the rush, many of these hospitals

were also very badly constructed. In the case of Hereford hospital, an independent investigation discovered disastrous failings in fire prevention, electrical and water systems, and air conditioning which was pushing microbes out from dirty areas of the hospital into clean ones.

There is one recent lesson to be learnt. PFI contracts are normally full repairing leases. As the early ones now

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An AI-driven web doesn't have to be full of fake news

Richard Waters correctly argues that media groups are seeking a new profit model with the advent of artificial intelligence, in contrast to the "wild west" of the internet ("Media groups need to know if chatbots are talking their language", Inside Business, August 2). One concern is the ability of machine learning to drive a coach and horses through copyright protections — an existential issue for the creative industries. Revenues from intellectual property are our lifeblood.

But there is a further point not yet aired. Social media, which is not really regulated despite our best efforts, is a sewer (witness the disinformation in the last week or so, leading to serious public disorder). Can an AI-driven web be any better? Arguably yes, if it is trained by machine learning via pro-social information such as public service news and other verified sources. If we can get the right agreements in place, the BBC and ITN would be the best examples. Then the chatbot on our phones can give us information rather than poisonous prejudice.

Who suggested this to me? Someone who had worked at both YouTube and TikTok. I think he sees the problem better than anyone.

Peter Bazalgette
Co-Chair, Creative Industries Council
London W2, UK

Finchley fights fascism but fails to reassure local Jews

While celebrating Wednesday's turnout of anti-fascists on our streets in support of communities and asylum seekers who have been under threat since the dreadful Southport murders, there are many Jews like me who are full of despair over the "call to the streets" by Finchley Against Fascism ("UK anti-racist rallies held as extremist protests fail to materialise", Report, August 9). This group chose to include Zionists in their list of fascists, racists, Nazis and Islamophobes who need to be kicked out of Finchley.

For too long, Jews of my generation (I am 76) have believed that the best safeguard against Jew hatred was for us to explain ourselves and to educate non-Jews in the true meaning of Zionism, which holds that the only way for Jews to survive in this world was for us to have our own state where we could escape at times of persecution. Holocaust survivors spent decades educating people around the world about the evils of racism and "othering". All to no avail, as I find that once again I feel unsafe on the streets of the city where I live.

On Wednesday, I felt some hope that the British people had found their voice and were again asserting their inbuilt fairness and generosity to all communities.

Today I am in despair and fearful for my fellow Jews.

Ruth Rosenthal
London N5, UK



Oswald Mosley and his Black Shirts targeted London's Jewish community

Smethwick, Notting Hill and Mosley's Black Shirts

Sunder Katwala's important work on British racism, reflected in his thoughtful FT comment ("The volatile far right is becoming more difficult to label", Opinion, August 5), needs to add a little history. Political racism in the 1960s and early '70s was explicitly repudiated by Conservative leaders. The National Front, BNP and Ukip recalibrated to make hostility to European partnership their main call to arms. This found support in both the Conservative and Labour parties and in the British press.

The Brexit plebiscite of 2016, which has not been questioned let alone challenged by any mainstream politicians despite the self-evident damage it is doing to Britain, means the extreme right has lost a key mobilising tool.

Their turn to anti-Muslim and general xenophobia does not produce results at the ballot box so their only outlet is street violence spurred by the conspiracy claims of one new MP that the police and authorities are not "telling the whole truth".

Britain has a long history of hostility to those arriving with new faiths and customs. The 18th and 19th century were punctuated by anti-Catholic riots. The 1930s saw serious anti-Jewish mobilisation under Oswald Mosley and his Black Shirts; 1958 saw the Notting Hill Riots; and 1964 the use of an infamous racist slogan in Smethwick that helped the Tories buck the national trend to Labour.

This century European workers were a target for political mobilisation. Now they have gone, other immigrants are in the line of fire. To say "twas ever thus is no comfort to the police attacked by the far right. Sadly, the Conservatives seem to want to continue down this road. But Britain is a tolerant country with just occasional explosions of political hostility to foreigners.

In due course, perhaps, we may even welcome back our fellow Europeans.

Denis MacShane
Former Europe Minister, London SW1, UK

Why the UK gas network is key to energy transition

I read with interest the piece by Rachel Millard and Jim Pickard on new financial support for renewable power projects ("Renewables budget raised to £1.5bn", Report, July 31). I commend the announcement and its contribution to making Britain a clean energy superpower.

We welcome the government's funding for new technologies like wind power. I am a firm believer in the managed transition from unabated fossil fuels to green technologies.

However, it's vital we also point to the potential risks in our approach to decarbonising Britain's power system, given we depend on gas to complement renewables and meet peaks in demand when the grid needs support.

To help grow wind power, we will need low-carbon gases like hydrogen to replace the functions gas meets now — and I truly believe that Britain can be a world leader in this technology.

Our gas transmission network is the backbone that makes sure our gas fuels our power stations and powers our industry. To reach clean power by 2030, we will need this to be the backbone that moves hydrogen to where it is needed. We must not lose sight of the importance of our existing gas network.

We have already tested blends of hydrogen — and most recently 100 per cent hydrogen — at a test site in Cumbria, which replicates our national gas transmission network. In doing so, we have proved that we can move this form of gas safely and effectively through our network of pipes.

I truly believe Britain can be a world leader in this technology and at the same time ensure economic advantage for the UK — with more business for businesses and more jobs for our people.

We have proved our pipes are up to the job and now it's time to deliver.

Jon Butterworth
Chief Executive, National Gas,
Warwick, Warwickshire, UK

Required reading for the Starmer cabinet

I would love to see Phillipe Sands's Weekend Essay, which online ran with the headline "The reset: how Britain can restore its global reputation" (July 27), as required reading for all members of the new cabinet. If only politicians could articulate, as Sands has done, what a "reset" looks like we would be in a better place.

It was chilling to read about the demonisation of his foreign students which led me to wonder why the new government is so frightened of opening up the route for European students to come and study and work here. It seems such an obvious thing to do, especially as the EU is holding out the olive branch.

Why so timid? Cabinet, read this article!

Roger Woodgate
Wellingborough Northamptonshire, UK

Taylor Swift concerts and the problem with GDP

Tej Parikh (Opinion, July 26) points out the fallacies affecting how economists value various economic activities.

Parikh posits, for example, how the Taylor Swift phenomenon raises the question of how the vast sums of money spent by those attending her concerts might have been spent in the economy in other ways.

He points out how economists evaluate and determine the net effect of various activities — whether they be in the realm of creative, distributive, zero sum or outright destructive economic activities.

Here, he cites the example of the storekeeper's vandalised shop window, and the costs of the repair versus the monies earned by those engaged in the job of replacing the broken glass.

I think the author is most persuasive in pointing out how the financialisation of our modern economy has created zero sum outcomes at best, where the winner's gains are offset by the other side's losses.

I would argue that the commonly accepted measure of the economy's activities as captured by gross domestic product — while useful in benchmarking the total value of goods and services in a country during a given period — does not reveal the underlying realities of what is being created, which segments of society benefit financially and the distortions to productivity hidden beneath the surface of the topline GDP figure.

So if GDP fails to take into account significant and intangible, qualitative impacts on society — including social, economic and political stability — it logically should raise the question of what it will take for economists and policymakers to admit that its use obscures obscene levels of inequality and the lack of access to jobs that pay a living wage to enable families to afford to have children.

Nowhere is this problem more evident than in the country with by far the largest GDP, namely the US.

It is indeed a "vexing" paradox. New economic thinking is badly needed.

Toby Bernstein
Shokie, IL, US

Erudite fellow that he is

Erudite fellow that he is — and francophone as he may well be — I wondered if Janan Ganesh (Opinion, August 7), in choosing to describe US Big Tech as politically "maladroit", was echoing its original French derivation — "badly to the right" — in an attempt to make an etymological pun on the damage Big Tech may have wrought on the Republican party under Donald Trump.

Charles Mercy
Tellisford, Somerset, UK

Opinion

UN credibility depends on matching veto rights to shift in global power

Kishore Mahbubani

Fifteen years have passed since Martin Wolf wrote, "Within a decade a world in which the UK is on the United Nations Security Council and India is not will seem beyond laughable." The laughable situation continues.

The UN founding fathers were wise in incentivising the great powers of the day to stay in the organisation by giving them privileged positions as permanent veto-wielding members. However, they were unwise in not instituting a mechanism for substituting yesterday's great powers with tomorrow's great powers.

In 1945, the UK was a great global power with colonies around the world, including India. As recently as 1980, the UK's GDP was three times the size of India's, at \$564bn to \$186bn. By 2045, when the UN celebrates its 100th anniversary, Goldman Sachs projects that

India's GDP will be around \$18tn — nearly four times as big as the UK's projected \$5tn. It would then be truly untenable for Britain to be a veto-wielding member while India is not.

The UN will lose all credibility if this situation persists. More dangerously, India would be strong enough to announce that it will not abide by UNSC decisions if it's not a permanent member of the council.

There's an obvious, although, for the moment unlikely, solution to this: the UK should cede its seat to India — subject, of course, to the politics and mechanics of the council. In theory, the UK would be giving up a lot by doing so. Yet, in practice, nothing would change as it has already in effect relinquished its veto. British leaders have long known that if the UK were to exercise its veto alone, there would be global outrage — which is why they have not exercised a solitary veto since 1972. Indeed, they have not cast a veto at all since 1989.

Even more sadly, the British have ceased to take any independent positions in the UNSC. Even when they were uncomfortable with US positions in the

council, they never expressed dissent. For instance, during the build-up to the Iraq war in 2003, they felt obliged to go along with the American position even though France and Germany fiercely opposed it (and rightly so).

By leaving the Security Council, the UK would liberate itself from the compulsion to support the US position regardless of its merits. Indeed, it could

The obvious solution is for the UK to cede its seat on the Security Council to India

become a better friend by giving frank advice to a country that has yet to accept that the world has changed fundamentally. The unipolar world is over; a new multipolar world is emerging. British sagacity can help the Americans transition to this different world.

This massive shift in global power represents the strongest reason for injecting India immediately and perma-

nently into the UNSC. The country is uniquely able to straddle the eastern and western worlds: it can work with the US in the Quad (which includes Australia and Japan), and with China and Russia in the larger Brics group.

Importantly, it would be able to represent the views of the majority of the world's population as power shifts from the G7 to the global south. India understands the global south's needs and aspirations in a way few nations can. This explains how it successfully engineered G20 membership for the African Union.

There would also be poetic justice in the UK ceding its UNSC seat in favour of India. While many in the UK believe that the era of the British Raj was a benevolent one for Indians, the opposite is true. As Shashi Tharoor eloquently said, "Britain's rise for 200 years was financed by its depredations in India. In fact, Britain's industrial revolution was actually premised upon the deindustrialisation of India... [In this period] between 15-29 million Indians died of starvation in British induced famines."

The UK is still unable to return the Koh-i-noor diamond to India, even

though it was looted by British imperialists who took it away from a 10-year-old ruler after imprisoning his mother. But perhaps it could offer India something even more valuable: a permanent seat in the UNSC.

Sir Keir Starmer's government will need some time to settle in before it can even contemplate such a radical move. There would be fierce resistance from the British establishment to giving up a perk from the past, just as the feudal lords resisted the transition to more democratic political arrangements.

Yet, as 2027 will mark the 80th anniversary of India's liberation from British rule, it would be the perfect year for the UK to make this great gift to India. It would finally close the chapter on British colonial rule of India and help to cement another hundred years of friendship between the UK and India. At the same time, we will have a UNSC that represents the great powers of today, not the great powers of yesterday.

The writer, a distinguished fellow at the National University of Singapore, is the author of 'The Asian 21st Century'

Why companies should adopt sustainability standards

Richard Manley

Milton Friedman's famous doctrine on the social responsibility of business did not suggest ransacking the environment and abusing labour in the name of corporate profits. He implored companies to maximise the value of the enterprise "while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom". The doctrine is as relevant today as it was when drafted more than 50 years ago.

While the basic rules of society in which companies operate have been transformed beyond recognition (thanks to the impact of population growth, digitisation and climate change, to name just three factors), the roles, rights and responsibilities that accrue to owners, boards and executives have not changed. Public company investors should not tell boards how to set company strategy or appoint management, but instead have clear expectations of how directors will discharge their duty to their companies.

In November 2021, the International Financial Reporting Standards Foundation created the International Sustainability Standards Board with a mandate to develop a global baseline for sustainability reporting. The final ISSB standards published in June last year require companies to demonstrate they are managing the most material risks confronting their businesses. Adoption of this global baseline presents an opportunity to consolidate the alphabet soup of voluntary ESG reporting frameworks currently plaguing companies.

This baseline presents an opportunity to consolidate the alphabet soup of ESG frameworks

Today, jurisdictions representing more than half of global GDP are already taking steps towards adoption. The standards also bring a significant advantage to small and medium-sized businesses through the principle of proportionality, allowing them to report within their capabilities while striving for incremental enhancements over time.

National-level consultations on the adoption of these standards pose a dilemma for board directors. Should they advocate in favour of the ISSB, to ensure they and shareholders have disclosure of these material risks and opportunities? Or should they stand back and allow industry associations to undermine this critical disclosure framework by arguing for extended reliefs or carve-outs?

While the new standards help investors hold boards to account, the insights they generate are as relevant to company success as they are to investors. Investors will benefit from comprehensive reporting of this data, but the primary beneficiary, if used to inform strategy, will always be the board of directors and the companies they oversee.

Has a board discharged its duty to the company if it has not compelled management to identify the material sources of risk and opportunity at the nexus of the business? Is it acting in the long-term interest of the company if it has failed to quantify the carbon footprint of the business when it operates in jurisdictions committed to decarbonising their economy over the coming decades? Can it really be confident that its operations and supply chain will prove resilient to climate risks if an analysis of physical risks has not been done?

Where these risks and opportunities have not been identified, quantified and reflected in strategy and disclosures, shareholders should consider two simple questions. Is the board discharging its duty to the company? And do we have the right directors?

With consultations under way, now is the time for all market participants and issuers to encourage comprehensive adoption of the global sustainability baseline. Many boards have already pushed for disclosure aligned with the ISSB's previous standards. For any still on the fence, reporting on the two sets of standard (S1 and S2), should not be viewed as a concession to investors, but as an act of enlightened self-interest.

The writer is chief sustainability officer of CPP Investments and chair emeritus ISSB Investor Advisory Group

The new maritime statecraft

BUSINESS

Rana Foroohar

At a time when there is so much compelling news to follow, key events can pass us by with little notice. That happened a few weeks ago, on the sidelines of the Nato meeting last month, when the US signed a largely ignored but strategically very important deal with Finland and Canada to build polar icebreakers.

These capital intensive, technologically advanced ships are crucial to exploring and protecting the Arctic, which is becoming one of the most hotly contested places on earth. But the US has only two of them, has not built a new one in 50 years and is having trouble producing more on its own.

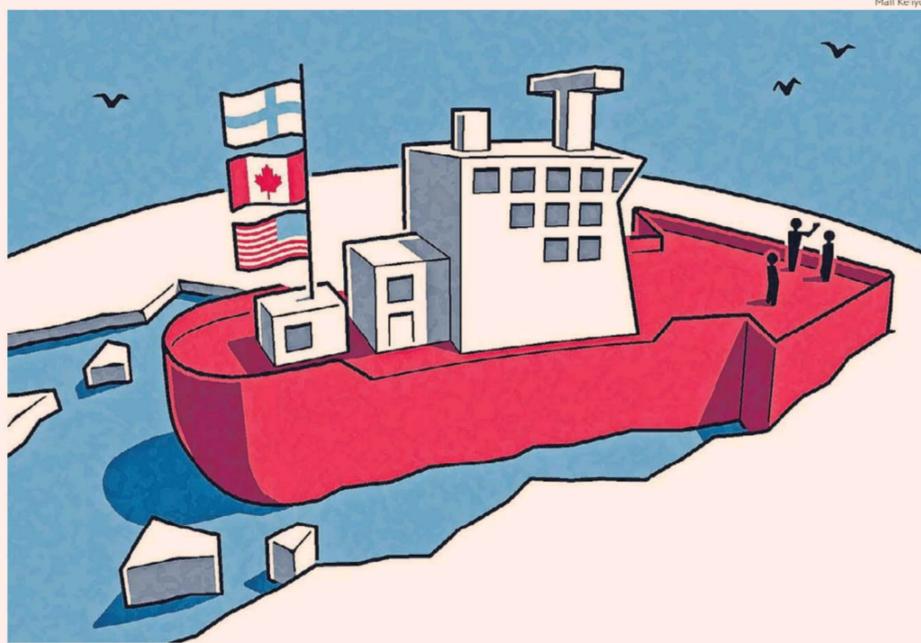
Enter Finland, which has built more than 50 per cent of the world's icebreaker fleet, and Canada, where Davie Shipbuilding recently acquired the Helsinki Shipyard. Together, the three countries have formed a partnership that aims to produce a large share of the estimated 70-90 new vessels needed globally over the decade. It's a timely project. Global warming has led to melting polar ice caps. That's a challenge, but also an opportunity, opening up new

Arctic sea lanes that could decrease transit time between Asia and Atlantic ports by as much as half. The only passable sea lane is along Russia's northern coastline, which it claims as its own jurisdiction. But melting ice will probably open up passage within international waters, allowing new state and private actors in.

Meanwhile, less polar ice also means easier access to sea beds where there are huge reserves of rare earth minerals, oil and natural gas. For some time now, there has been geopolitical competition between the US, Russia, China and other nations to see who will claim and tap those resources. One can easily argue that, next to the South China Sea, the Arctic will be the most important and contested part of the world over the next decade or two.

This point was driven home last summer, when Chinese and Russian naval forces sailed close to the Alaskan coastline. This past July, the two countries amped up the pressure, conducting bomber jet exercises near Alaska. It's telling that a day later, the US Maritime Administration released a fact sheet announcing major grant and financing programmes to support the revitalisation of the country's shipbuilding industry, which has collapsed in recent years.

As national security adviser Jake Sullivan told me last week, America now produces by tonnage only 0.2 per cent of the world's ships. Any security expert knows that maritime power and economic power are often linked. That's why resuscitating shipbuilding is a



White House priority; the Biden administration has been focused on shaping industrial strategies that increase jobs, advance key industries, add to national security and innovation and don't create a zero-sum game with allies.

Icebreakers fit the bill. "I was obsessed with icebreakers my first month on the job," says Sullivan. "I talked about it so much that my team would say, 'Oh, you and your ice-breakers.'" While he sees shipbuilding as eventually becoming the kind of national priority that, say, chip production or clean energy has become, "we needed to find a way to address the deficit in such a way that we weren't 'boiling the ocean,'" he says, meaning trying to bring back the industry all at once. Rather than another massive set of

A deal between the US, Canada and Finland to build icebreakers may be a model for friendshoring

fiscal subsidies, the answer seemed to be a targeted programme with allies.

The White House already had a model in the effort to build domestic capacity in the ship-to-shore cranes that move containers on to the docks. To move away from reliance on China, the administration brokered Japanese and Finnish investment in US production of cranes, which are not only crucial for transporting the 70 per cent of imports and exports (by weight) that go by ship, but also vulnerable to cyber-hacking.

The Icebreaker Collaboration Effort will likewise leverage US, Finnish and Canadian resources. Canada's Davie Shipbuilding is already committed to a major long-term investment in a US shipyard. Since the Finns can churn out an icebreaker in as little as 24 months, the partnership should help increase productivity and upskill US workers, which was critical for securing union support. "Engagement with labour was really important," says Sullivan, noting the Steelworkers filing (along with several other unions) of a 301 trade case

against China in shipbuilding. In many ways, the ICE deal is a model of what a collaborative 21st-century industrial strategy with allies can and should be. Finland and Canada want to reassert their own strategic importance within Nato, and protect against territorial threats from China and Russia.

The US wants to revitalise the industrial commons in shipbuilding to counter growing Chinese naval power, and the threat of commercial supply chain chokepoints. The deal has bipartisan political support in America, since states from Mississippi to Pennsylvania have shipyards that may potentially benefit from the investments.

It is early, but if the partnership is successful it may be a model for other strategic friendshoring deals in shipbuilding (partnerships with Japan and Korea seem likely) and beyond. At the very least, it is proof a more multipolar world comes with new opportunities for economic statecraft.

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EU's approach to Britain and Brexit needs fixing

Mujtaba Rahman

The European Commission's "list of demands" that Sir Keir Starmer must address to improve the UK-EU bilateral relationship shows how much the bloc needs to rethink its approach to Britain and Brexit.

The Labour government has already done so. The European Political Community meeting at Blenheim Palace last month provided the perfect platform for Starmer to advance phase 1 of his EU "reset" — restoring trust after the antagonistic relationship with the Conservative government. Phase 2 involves scoping out policy areas of common interest and phase 3, hammering them out.

Senior Labour officials hope a deal on a security pact, given the UK's heft on defence and intelligence, will provide a big opening offer that allows the EU to respond by reducing trade barriers.

In public, the EU welcomes Starmer's

constructive approach. There is appetite to co-operate on security and defence. Yet in private many senior EU officials remain stuck in 2016, emphasising the third-country status of the UK and the EU's opposition to cherry picking and to mixing security and trade. This suggests an unwillingness to seize the opportunities of a Starmer-led UK.

Today's context is different. The EU's stance in 2016 was driven by the fear that a sweetheart deal for the UK outside the bloc would set a precedent. Thanks to the political chaos and economic challenges of Brexit, that risk no longer exists; European populists of all stripes no longer advocate exit.

This should create more political space for creative thinking. So should Labour's approach to the EU. While Starmer has ruled out rejoining the customs union or single market, his party has few hangups over dynamic alignment with EU standards, the level playing field or the role of the European Court of Justice in policing new agreements.

Things Labour is ready to consider include a visa scheme for EU nationals aged 18 to 30 — an early priority for Brussels. The EU will probably seek an

early review of fishing quotas to secure continued access to British waters which, though politically difficult, will be a less symbolic issue for Labour than it was for the Conservatives.

These concessions should address the deep-seated reservations of France, one of the tougher member states, by showing that a Labour government is willing to give up some sovereignty to get closer to the EU.

Starmer and von der Leyen must prepare an ambitious political declaration for their first summit

While Starmer will not accept all of the elements of the single market, such as free movement of labour, he will accept some. The EU needs to respond in kind. Accepting more obligations should confer more rights. While senior EU officials acknowledge this, they still have no settled view on what additional market access a Starmer offer should secure.

The geopolitical context also points to the need for more European ambition. A return to the White House for Donald Trump could fundamentally weaken US commitment to Nato and European security. Russia's invasion of Ukraine has seen the return of large-scale war to the continent. This has spurred a willingness to revive enlargement as a foreign policy tool — and implement it more innovatively. Ukraine is now being progressively integrated into parts of the single market rather than being forced to swallow the *acquis communautaire* — the body of common law — wholesale, showing that the EU can prioritise politics, and think creatively, when it wants to.

More security and defence collaboration between the EU and UK, including over defence industrial policy, makes perfect sense. But improving the trading relationship is also key. The big fear in senior Labour circles is that the EU will pocket a defence deal to benefit from the UK's military muscle, without giving much in return. Yet ultimately, the two sides will only be safe if their economies are growing as robustly as possible and generating

the resources that will enable them to remain secure.

Poland and the Baltic and Nordic states, which see the existential threat to liberal democracy of the military crisis on Europe's eastern border, need to help make this bigger case.

No one in Europe is keen on a formal renegotiation: the idea that the review of the Trade and Cooperation Agreement in 2026 is the best way to address the core economic relationship is wrong. This reset needs to be political, not technocratic or legalistic.

Starmer and Commission President Ursula von der Leyen should prepare an ambitious political declaration for their first summit in the coming weeks. It should prioritise foreign and security policy. But Brussels should not fear an upgrade to the core trade and economic relationship. As on security, this would be to mutual benefit. The zero-sum game of UK-EU relations since the 2016 referendum is finally over; the EU needs to recognise that closer co-operation is a win for both sides.

The writer is managing director for Europe at Eurasia Group



Rutherford Hall
 'You're not a lifeguard? Well then you can't work at the beach'
 WORK & CAREERS

Why I no longer crave a Tesla



Pilita Clark
 Business Life

I have wanted a Tesla ever since the day in 2012 when Elon Musk came to the FT's London offices to talk about his electric car company. Musk was not a household name then. But being the FT's environment correspondent at the time, I knew a bit about him and the red Tesla he arrived in, which I had read could go from zero to 60mph in less time than it took to light a cigarette.

The car looked even better in the flesh. When he proceeded to invite a colleague to go for a drive in it, I would like to say I was big enough not to feel insensate with envy, but I was not.

The sting of jealousy has subsided and so too, I realised last week, has my great desire to own a Tesla. This is partly because Musk's pioneering efforts prodded other carmakers to lift their electric game and there are a lot of rival cars to choose from, including some cheaper than Teslas.

But it is also because of what Musk told his 193mn followers last weekend on X, the social media platform he has turned into a dismal shell of its former self since buying it in October 2022. "Civil war is inevitable," he wrote in response to a video showing far-right riots jolting UK cities, which another



Kenneth Andersson

user had suggested were caused by "mass migration and open borders".

Watching Downing Street protest that there was "no justification" for the billionaire's inflammatory words reminded me of the White House's condemnation of him in November, when he endorsed an antisemitic post on X. And the companies that pulled their ads from his platform. And scores of critics vainly urging him to be quiet.

G7 governments. Multinational corporations. Nothing has stopped Musk, who apologised for the November post but has allowed X to reinstate a string of divisive figures including Tommy Robinson, the face of far-right UK activism, one of whose posts on the riots Musk responded to with exclamation marks.

So all things considered, I would rather not buy one of Musk's cars.

This will hardly bother an EV giant like Tesla, whose Model Y sports utility

“Musk's actions raise a question about when a business leader's antics hit a tipping point and start to hurt the company”

was the world's top-selling car of any kind, electric or otherwise, in 2023.

But it does raise a question about when a business leader's antics reach a tipping point and start to actively hurt the company. The poster child for self-harming corporate behaviour in the UK is still Gerald Ratner, the former head of a jewellery empire that tanked after he joked in 1991 that some of its products were cheap because they were "total crap".

Musk's provocations are different. He typically champions his products fiercely, which makes him more like Michael O'Leary. The Ryanair airline boss has called regulators "cretins" and airport operators "overcharging rapists", but his jibes were generally aimed at highlighting his low-cost flights.

Also, no matter what you think of O'Leary, you sometimes have to fly on Ryanair because it's the best way to get from A to B. Electric car buyers have far more choice, which is one reason some analysts think Musk's polarising behaviour could spell trouble for Tesla.

The carmaker's so-called "consideration rates", or share of would-be buyers, have been trending down in the US since Musk started upending Twitter, now X, in late 2022,

says Shahar Silbershatz, head of Caliber, the market intelligence firm that tracks Tesla's scores daily.

The rates are considered a good predictor of sales, he told me last week, and Caliber's data shows Tesla's numbers started falling — from about 40 per cent in November down to 30 per cent in February — after a series of controversies including the antisemitism uproar.

Tellingly, the falls were steeper among Democrats, who are generally bigger electric car fans, and this was before Musk endorsed Republican presidential hopeful Donald Trump in July. Caliber's preliminary August figures suggest Tesla's scores among Democrats have plunged further.

It's impossible to say if Musk's outbursts are causing these shifts. Tesla has suffered other pressures, from higher interest rates to supply chain glitches. But as Silbershatz says, at a time when it faces all those headwinds, plus growing competition from other carmakers, Musk is giving his "natural buyers" in the US a good reason to shun his cars. As of last week, I would say the same applies in the UK. In spades.

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UK pensions need a big shove to emulate Canada's model



Councils are in deep financial trouble across much of Britain. Thankfully, their pension funds are not. But they are fragmented and subscale.

Chancellor Rachel Reeves, pictured, thinks that pooling their resources would help fire up the UK economy.

She's right. Bulking up should allow the funds to invest in a wider range of UK assets, while cutting costs and delivering better returns. Proponents for consolidation want to emulate the success of the Canadian model, which combines scale, geographic spread and wide asset-class diversification.

The structure of the UK's Local Government Pension Scheme certainly needs improvement. It would be the seventh-largest pension fund in the world if judged by the aggregate £360bn of funds under management in March.

But the average size of the underlying 86 funds is £4.2bn. Over half are under £3bn.

Bigger funds have more negotiating clout to bear down on fees and recruit skilled managers capable of seeking out profitable investments in alternative assets. But progress by Westminster has been poor. By 2022, only two-fifths of assets had been transferred from single funds to eight regional pools. This can reduce costs.

Border to Coast, the largest pool,

has reduced fees on transferred assets by as much as 0.25 percentage points. But overall fees paid by LGPS have risen by 0.11 percentage points to 0.49 per cent since 2018.

By contrast, those of Canadian pension fund CPPIB are just 0.28 percentage points. Critics argue that pooling has simply added an extra layer of complexity and cost. Full-blown consolidation would be preferable, argues Pension Insurance Corporation, a specialist UK insurer.

That is difficult. Even mandating pooling would be a headache. Pensions expert John Ralfe says it would probably get bogged down in arguments about the trustees involving reams of case law. Unions might also resist.

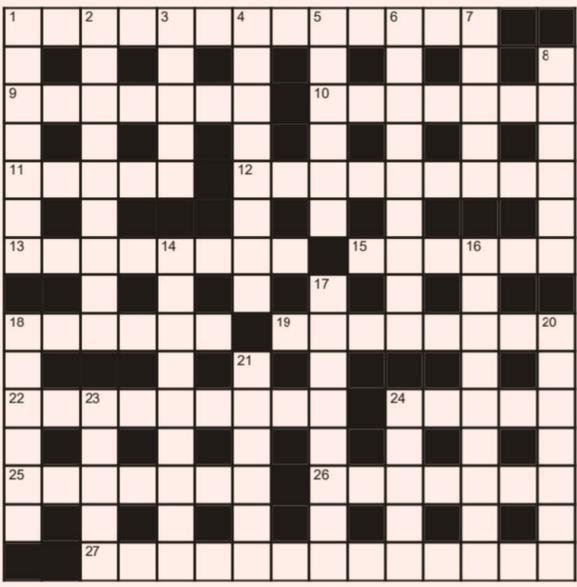
But without a big shove from a government willing to take the political heat, this will not happen. There are plenty of interests that favour the status quo, however inefficient and expensive.

Improved funding positions may make some even more resistant. Four-fifths of local government funds are now in surplus, with assets exceeding liability by as much as 169 per cent, according to consultancy Isio.

Yet that has done nothing to sharpen their appetite for investing in more complicated and risky assets. It is time to force more drastic change.

NIKKEI Asia The voice of the Asian century

CROSSWORD No 17,812 by ARTEXLEN

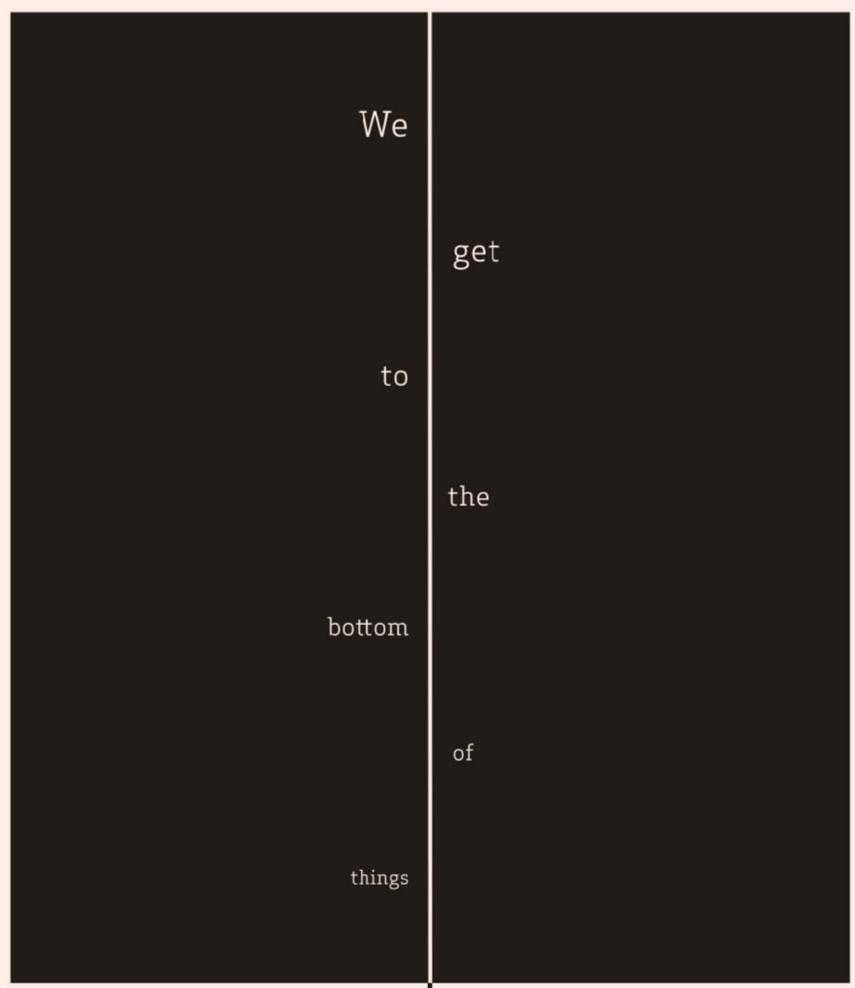


- ACROSS**
- 1 Double-checked about volume and article fitted (4-2-7)
 - 9 Image reduced: musical instrument (7)
 - 10 Comparatively uncertain discussing Guevara alongside Siarmer (7)
 - 11 Drunk Aussie not a problem (5)
 - 12 Resolved row — shares chargers (9)
 - 13 Alcohol consumed by Doctor Finlay regularly with tetchy manner (8)
 - 15 Exposed fence raged being put behind bars (6)
 - 18 New second home housing king (6)
 - 19 African beast present leaving with run to the west (8)
 - 22 Original theory radical backed with success is start of movement (9)
 - 24 Hiding somewhere in America, make fun of westbound former PM (5)
 - 25 American very loudly voices concerns (7)
 - 26 Prepares payment (7)
 - 27 Dross novel's confused with an esteemed literary work (4,3,6)
- DOWN**
- 1 Cat chewing softly on leg is washing (7)
 - 2 Outsiders from Christchurch avoid being bitten by relative's dog (9)
 - 3 People already indicated distinctive character cycling (5)
 - 4 Low grass area raised with 1000 steps far above (8)
 - 5 Funny muscles on tongue contracted (6)
 - 6 Unloved bears beginning to navigate plain (9)
 - 7 Opponents crossing border to overturn rulers (5)
 - 8 24 hours, short date for salad item (6)
 - 14 Knock over small bird, one on wall (9)
 - 16 Moist area after upsetting perfume (9)
 - 17 Drunk man from Genesis, Banks in manor-house with wine (8)
 - 18 Curry not all there and breads oddly missing (6)
 - 20 Supporting homes for birds after destroying top wildlife habitats (7)
 - 21 Party justifies tax squeezes (6)
 - 23 Many waterborne conveyances (5)
 - 24 Excellent support for woman, very old (5)

Solution 17810

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- JOTTER PAD**
- 1 Cat chewing softly on leg is washing (7)
 - 2 Outsiders from Christchurch avoid being bitten by relative's dog (9)
 - 3 People already indicated distinctive character cycling (5)
 - 4 Low grass area raised with 1000 steps far above (8)
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