



Echo chambers reverberate on social media

JEMIMA KELLY, PAGE 22

Full-time in the office is not the only way

EMMA JACOBS, PAGE 24

War warning Middle East clashes step up

A member of the Israeli security forces stands guard at the site of a Hezbollah strike in Kiryat Bialik, near Haifa, yesterday (left), while the pro-Iranian movement mounts a show of defiance at a funeral in Beirut (right).

Over the weekend the two sides engaged in some of their fiercest exchanges of fire since the start of Israel's war in Gaza. Israeli jets mounted heavy bombing raids in southern Lebanon while Hezbollah fired rockets towards the city of Haifa.

These attacks have fuelled fears hostilities could tip into an outright land war, and prompted the US to directly warn Israel against opening a full-blown conflict with the Lebanese militant group.

"We don't believe that escalating this military conflict is in their best interest," John Kirby, the US National Security Council spokesperson, said.

Hezbollah under pressure [page 7](#)



Ilia Yefimovich/dpa, Amr Abdallah Dalsh

Briefing

► Zelenskyy to press Biden for security guarantee

Ukrainian leader Volodymyr Zelenskyy will press US President Joe Biden for security guarantees on a visit to Washington this week as part of a plan to force Russia to the negotiating table and end the war. — [PAGE 6](#)

► Sri Lanka election shock

Neo-Marxist outsider Anura Kumara Dissanayake has won the Sri Lankan presidency, delivering the nation's biggest political upset since it gained independence from Britain. — [PAGE 4](#)

► Scholz party set for win

The Social Democratic party of Chancellor Olaf Scholz last night seemed set for a narrow victory in German state elections in Brandenburg, ahead of the far-right AfD. — [PAGE 4](#)

► EU ammunition plea

Andrius Kubilius, the EU's first defence commissioner, wants member states to stockpile ammunition in order to prepare the bloc's arms industry for a potential war. — [PAGE 4](#)

► Banks' \$1tn rates profit

US banks made a \$1tn windfall by failing to fully pass on to savers the higher interest rates that were kept in place by the Federal Reserve for the past two and a half years. — [PAGE 8](#)

► Challenge to Google

AI-powered search engine Perplexity has entered talks with potential clients including Nike and Marriott as it seeks to disrupt Google's dominance of digital advertising. — [PAGE 10](#)

► HSBC's Hong Kong woe

HSBC's exposure to defaulted commercial property loans in Hong Kong soared almost sixfold to more than \$3bn in the first half of this year as the territory's real estate market slumped. — [PAGE 8](#)

► Childhood jobs fear

A UK government adviser has called on ministers to tackle low childhood vaccination rates after data uncovered an "extremely worrying" decline in their uptake. — [PAGE 7](#)

European steelmakers press Brussels to tackle a flood of Chinese exports

► Beijing subsidies blamed ► Price driven below cost of production ► Plea for comprehensive tariffs

SYLVIA PFEIFER — LONDON
PATRICIA NILSSON — FRANKFURT
ANDY BOUNDS — BRUSSELS

European steelmakers have appealed to trade officials to tackle a surge in Chinese steel exports that has driven European prices below the cost of production.

A new, comprehensive system of tariffs is needed to address the market-distorting effects of global overcapacity and protect domestic manufacturers battered by weak demand and high energy costs, producers and Europe's main trade body told the Financial Times.

China, the world's largest producer of steel, is expected to export more than 100mn tonnes of the metal this year, more than any year since 2016. The

increase has already raised trade tensions and prompted several countries to introduce tariffs on imports.

Direct Chinese exports to Europe are small since the introduction of safeguards on certain steel products in 2018, but the industry said it was suffering the knock-on effects of higher imports from elsewhere.

The volume of exports from China was "huge", said Genuino Cristino, chief financial officer at ArcelorMittal,

European Commission 'needs to take bold measures . . . to tackle the root causes of the problem'

Europe's biggest producer. He said the industry was "back to the crisis that was led by the high exports from China in 2015 and 2016".

The flood of "subsidised, below-cost Chinese steel exports" threatened the sustainability of Europe's steel industry and its low-carbon transformation, said German steelmaker Salzgitter.

Russell Codling, director of marketing and business development in the UK for India's Tata Steel, said current market conditions were a "huge issue" for the industry, especially with "demand on the floor".

"The [European] commission needs to take bold measures such as a tariffication scheme to tackle the root causes of the problem, which are huge excess capacities in China and other countries,"

said Salzgitter. Regulators should introduce a more "global, tariff-like measure" to help European producers, which were suffering the knock-on effects of Chinese sales to other markets, said Axel Eggert, director-general of Eurofer, the trade body.

Europe's existing safeguards had lost their effectiveness and were unable to absorb the volume of imports, he added. "Chinese export prices today are below production costs," said Eggert.

Imports of flat steel products to the EU rose 30 per cent in the first four months of 2024, according to Thyssenkrupp Steel, Germany's largest producer. That trend, along with poor demand and high energy costs, was "putting significant pressure" on the European industry, the company said. It

was also jeopardising investment in the sector's green transition, it added.

The EU market was "pretty weak", said Bastian Syngowitz, global head of steel research at Deutsche Bank, adding that "imports are still rising".

The EU already has more than 40 investigations into dumped or subsidised Chinese goods exports of all types.

However, one commission trade official said there was no appetite for a fight with China on steel while Brussels was trying to get member states to approve tariffs on Chinese electric vehicles. That process has already prompted trade retaliation from Beijing.

The commission declined to comment.

Rana Foroohar and Martin Sandbu
[Opinion, page 21](#)



End of UK tax perk pushes wealthy to look elsewhere

The looming abolition of the 'non-domiciled' tax perk for wealthy UK residents from overseas has spurred many of them to seek fresh pastures in Europe where they can safeguard more of their assets from government revenue collectors. Financial advisers from Switzerland to Portugal and Greece report a flood of inquiries, although finding an alternative home where the tax rules will remain favourable may not be straightforward.

Rich seek fresh havens [PAGE 4](#)

Reeves to deny plan for austerity after criticism of Labour's gloomy rhetoric

GEORGE PARKER AND
MICHAEL O'DWYER — LIVERPOOL

Chancellor Rachel Reeves will today attempt to counter claims she has been talking the economy down, telling the Labour party conference there will be "no return to austerity" and insisting her Budget next month will have "real ambition".

Reeves and Prime Minister Sir Keir Starmer have been accused of creating a sense of economic gloom by warning of the dire state of public finances and a "painful" Budget.

Consumer confidence fell sharply in September and last week Andy Haldane, a former Bank of England chief economist, said the government had generated a sense of "fear and foreboding".

One figure at a large bank said:

"They're struggling to dig themselves out of the depression ditch they've put themselves in."

In a speech to party delegates in Liverpool, Reeves will try to paint a picture of a brighter future. "I can see the prize on offer, if we make the right choices now. And stability is the crucial foundation on which all our ambitions will be built," she will say.

Reeves has warned of tax rises but will say: "There will be no return to austerity. Conservative austerity was a destructive choice for our public services, and for investment and growth."

The rhetoric is intended to lift spirits as the party's first conference since it entered government risks being overshadowed by internal disputes in Number 10 and a controversy over "freebies" for Starmer and other ministers, along with criticism of the govern-

ment's decision to cut winter fuel payments to 10mn pensioners.

Reeves and Starmer will attempt to reassure Britain's company bosses that they are still firmly on their side, but they are facing increasing scepticism from some executives who have grown concerned about the lack of positive action from the government since it was elected in July. A new investment minister has yet to be appointed.

Labour's strategy so far seems to be "to prioritise growth and at the same time undermine all the levers of growth", the chair of one of the FTSE's 10 most valuable companies told the Financial Times.

Reeves will confirm plans for a new industrial strategy, starting with a green paper around the time of the Budget. [Investment bank questioned page 7](#)
[Test over winter fuel allowance page 3](#)

World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS				
	Sep 20	Prev	%chg	Sep 20	Sep 13	Sep 20	Sep 13	Yield (%)	Sep 20	Sep 13	Chg	
S&P 500	5692.52	5713.64	-0.37	\$/€	1.114	1.109	0.897	0.902	US 2 yr	3.58	3.60	-0.02
Nasdaq Composite	17932.29	18013.98	-0.45	\$/£	1.378	1.315	0.753	0.760	US 10 yr	3.74	3.74	0.00
Dow Jones Ind	41955.71	42025.19	-0.17	€/£	0.839	0.843	0.972	0.976	US 30 yr	4.08	4.07	0.01
FTSEurofirst 300	2033.82	2063.64	-1.45	¥/\$	144.435	140.650	1.026	1.030	UK 2 yr	3.92	3.92	0.00
Euro Stoxx 50	4672.73	4943.38	-1.43	¥/€	191.818	185.005	1.415	1.411	UK 10 yr	3.98	3.97	0.01
FTSE 100	8229.99	8328.72	-1.19	\$/¥	0.948	0.940	1.129	1.115	UK 30 yr	4.47	4.46	0.00
FTSE All-Share	4501.08	4556.59	-1.22	CRYPTO				JPN 2 yr	0.39	0.38	0.01	
CAC 40	7500.26	7615.41	-1.51		Sep 20	Prev	%chg	JPN 10 yr	0.86	0.86	0.01	
Xetra Dax	18720.01	19002.38	-1.49	Bitcoin (\$)	62994.00	63676.00	-1.07	JPN 30 yr	2.08	2.06	0.03	
Nikkei	37723.91	37155.33	1.53	Ethereum	2561.80	2514.97	1.86	GER 2 yr	2.23	2.22	0.01	
Hang Seng	18258.57	18013.16	1.36	COMMODITIES				GER 10 yr	2.21	2.20	0.01	
MSCI World \$	3689.52	3629.69	1.65		Sep 20	Sep 13	%Week	GER 30 yr	2.50	2.50	0.00	
MSCI EM \$	1100.15	1087.75	1.14	Oil WTI \$	70.95	65.32	2.35					
MSCI ACWI \$	639.49	626.29	1.60	Oil Brent \$	74.46	72.33	2.94					
FT Wilshire 2500	7355.62	7230.25	1.73	Gold \$	2575.35	2545.95	1.15					
FT Wilshire 5000	57243.00	56263.70	1.74									

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NATIONAL

Infrastructure funding

Labour's £7bn UKIB pledge questioned

Lender has spent fraction of the £22bn provided on projects since its founding

GILL PLIMMER

The UK Infrastructure Bank has invested a fraction of the £22bn of taxpayers' money made available since its launch, even as the Labour government has pledged to provide it with an extra £7bn.

Since its founding in 2021, the UKIB has invested £4bn of the funds on private sector projects addressing climate change or driving economic growth.

Despite MPs criticising the bank last year for "reinventing the wheel" by funding projects already backed by private capital, the government in July pledged the UKIB an extra £7.3bn via a new National Wealth Fund.

Sir Dieter Helm, professor of economics at the University of Oxford, said it was "hard to see how giving the infrastructure bank an extra £7bn would help it do better than it has in the past".

Sir Keir Starmer's new Labour administration has said it will use the NWF to spur about £20bn of private investment into decarbonising projects.

Rather than set up a separate NWF institution, Labour said in July it was

giving the UKIB £7.3bn "so investments can start being made immediately". The money is to be used for debt and equity investments alongside the private sector, rather than funding projects itself.

The UKIB employs 245 permanent staff under chief executive John Flint, a former HSBC head. It has so far invested at a slightly slower rate than the £1.5bn a year initially expected and has drawn criticism from MPs.

A House of Commons public accounts committee report last year criticised the UKIB, questioning whether it had a "strategic view of where it best needs to target its investments".

The committee accused the lender of

"lacking a strategic vision" and questioned what the bank was doing that the market wasn't doing already.

UKIB has also been criticised for investing in third-party funds – in effect outsourcing investment decisions – such as a new infrastructure fund managed by Octopus Investments.

Lord Aamer Sarfraz, a former Conservative party treasurer and former chair of a cross-party group on sovereign wealth funds, said: "The UKIB has been given too much capital too quickly without having yet demonstrated the capacity to source, execute and manage investments at this scale."

The £4bn deployed by the UKIB so far

has been used for debt, equity and guarantees on 38 projects, including supporting the expansion of broadband in rural Cumbria and developing a lithium mine in Cornwall.

UKIB said the £4bn it had spent so far had drawn in £11bn of private capital. "We will never invest where we are not needed, nor will we crowd out private investment – we make no apologies for that," it said.

The Treasury said: "The National Wealth Fund will play an important role in the government's growth mission and by deploying this funding through the UKIB means investments can start immediately."

Development finance

Brown in funding push for global education

LAURA HUGHES — LONDON
ANDREW JACK — NEW YORK

An innovative new funding mechanism championed by former UK prime minister Gordon Brown is to provide \$1.5bn in low-cost loans to improve education in poorer countries around the world.

The International Finance Facility for Education (IFFEd) is set to launch what it described as the largest one-off investment in decades to improve inadequate schooling in response to global education budget cuts.

The initial \$1.5bn has been raised through support from governments including the UK, Sweden and Canada, and from philanthropic and corporate backers, who will offer guarantees to underwrite a programme to disburse new loans and grants through leading multilateral financial institutions.

IFFEd has signed a first agreement with the Asian Development Bank, and is set to authorise a disbursement of more than \$100mn for this year. It has approved 10 Asian countries for financing, including Bangladesh, India, Sri Lanka and Vietnam. Talks are advancing with other backers and intermediaries including the African Development Bank and the World Bank.

Many lower- and middle-income countries have cut education spending, and the World Bank has warned of low levels of basic numeracy and literacy – notably in Africa – compounded by further "learning loss" driven by pandemic-era school closures.

"The innovation is leveraging guarantees to create resources that will never be created through loans alone"

An estimated 250mn school-age children are currently not in class, with 800mn of the world's 2bn children set to leave education without any secondary qualifications.

International aid is dominated by health projects, while education represents just a small fraction and countries often struggle to demonstrate short-term returns to donors.

Brown, the UN's global education envoy, told the Financial Times that the "groundbreaking innovation" in international development finance had been years in the making. He spoke after IFFEd received an AAA rating from credit agency Moody's and was graded AA+ by S&P.

Under the programme, multilateral banks lend money to governments of lower-middle-income countries at a very low interest rate. This is in exchange for commitments to invest the money alongside existing domestic spending on credible national education programmes.

"People traditionally think of international development in terms of grants or loans," Brown said. "I think the transformative innovation here is to think not just of guarantees, but how you can leverage guarantees to create the kinds of resources that will never be created in the near future through loans and grants alone."

Brown said the model was a "vehicle that should be more widely used" in other public policy areas, such as health.

Border policy. Import delays

Traders seek to regain 'control' over EU goods

Dysfunction in the post-Brexit system prompts businesses to launch their own inspections

MADELEINE SPEED — KENT

At Provender wholesale plant nursery in Swanley, Kent, employees are unloading the first lorryload of goods into a newly fitted large, biosecure barn, established to carry out checks on products arriving from Europe.

Dysfunction in the post-Brexit border system is prompting a growing number of UK plant and food traders to try to set up their own "control points", where products can be inspected, as an alternative to state-run facilities.

The move is an attempt to lower rising costs and reduce friction around trading with the EU, while side-stepping delays that have beset the government-run inspection point in nearby Sevington.

"The way it's going is we're losing all control," said Stuart Tickner, head of the nursery and of biosecurity at Provender. "By becoming a control point, we bring some of that aspect of control back to us," Tickner added.

Issues at the Sevington site, problems with the border IT systems and the slow roll out of a promised "trusted trader" programme, have piled pressure on businesses both sides of the border, leading some suppliers to give up exporting to the UK altogether.

The trusted trader programme, also known as the Authorised Operator Status (AOS), was designed to test the possibility of allowing regular importers to carry out checks at their own sites, rather than at a border control post.

The new post-Brexit border checks on food and plant imports from the EU were introduced in April by the previous Conservative government after several delays.

Provender said it hoped to reduce costs for its customers by establishing its own control point and cutting the common user charge (CUC) which companies say is hammering the sector. But building it was a "high risk strategy" given confusion over the timing of the border implementation plan.

Until a trusted trader scheme is fully established, the nursery must use government inspectors to carry out physical checks on incoming goods.

The industry has long argued that traders should be allowed to carry out



Control point: Provender plant nursery staff in Swanley, Kent, led by Stuart Tickner, below, check products arriving from Europe

Charlie Bbbby/FT

their own inspections because many already had the expertise needed to meet specifications on fruits, vegetables and plants.

Nigel Jenney, chief executive of the Fresh Produce Consortium, said traders were being forced to pay millions of pounds in charges despite the industry having the infrastructure needed to carry out controls.

"They should have used the industry's

facilities and expertise that already existed and we would have readily shared it," he said. "It's a problem of their own making."

Seafrijo, a refrigerated food logistics company, was the first group to enrol in the pilot scheme and set up a designated inspection point. Mike Parr, chief executive of PML Seafrijo UK and Ireland, said the scheme was crucial to ensuring the flow of food into the UK.

But a decision on whether to take it beyond pilot stage had been "pushed down the road" since the idea was first suggested three years ago, he noted.

Businesses such as Seafrijo have invested hundreds of thousands of pounds into building capacity on their own premises but cannot get enough trade coming through in order to recoup the costs because the government does not provide enough inspectors. Those who do come are unavailable overnight.

"It's the only way that bringing fruit and vegetables into the UK is going to work. Sevington is too expensive and too slow," Parr said, adding he heard regularly that hauliers were offered no

"They should have used the industry's facilities and expertise that already existed"



Healthcare

Ministers urged to tackle 'worrying' drop in childhood jobs

AMY BORRETT AND LAURA HUGHES

A leading government adviser has called on ministers urgently to address low childhood vaccination rates by investing in frontline services after data revealed an "extremely worrying" decline in uptake.

Professor Sir Andrew Pollard, chair of the Joint Committee on Vaccination and Immunisation, said the government needed to increase funding, especially for frontline nurses and health visitors with local knowledge.

"The system for mopping up those who find it hard to access vaccination is not currently robust enough," he told the Financial Times. "We have to get this right, the future health of our children depends on it and even their lives."

The warning comes after data published by NHS England last week showed that uptake of all 14 key childhood vaccinations has fallen over the past year, with no vaccines meeting the World Health Organization's target of 95 per cent coverage.

The share of children vaccinated against measles, mumps and rubella (MMR) by their second birthday fell to a

14-year-low of 89 per cent in the year ending March 2024.

The Health Security Agency last month warned of a back-to-school resurgence of measles after outbreaks in London, the West Midlands and the North West drove infections to the highest levels since 2012.

Pollard said the spread of measles was a "red flashing warning light" that other diseases would soon start spreading without urgent action.

Dr Mary Ramsay, UKHSA director for public health programmes, said disruption to healthcare during the Covid-19 pandemic and complacency had caused vaccination rates to drop in England.

"While there is much focus on vaccine hesitancy... it is not driving the long-term decline we have seen in uptake," she said. "[It] is more likely a combination of some people being complacent about the risk of some diseases, but also about people's lifestyles and finding time to ensure your child attends their appointment."

A 2023 survey by UKHSA found that 88 per cent of parents were happy with the safety of vaccines for babies and young children, although rates were

lower among ethnic minorities and people from lower social grades.

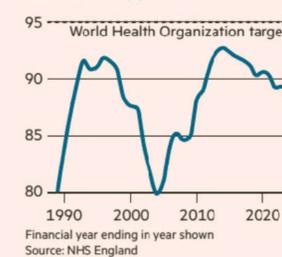
Pollard said a lack of access was the main reason for the decline, with parents finding it difficult to find available appointments and to travel to GP surgeries, especially if they have to take multiple children on public transport.

He added that some communities were unaware that vaccines are free.

MMR vaccination rates were lowest in

Falling share of children in England vaccinated against measles, mumps and rubella

MMR1 vaccine coverage at 24 months (%)



London, which is home to 17 of the 20 areas worst affected by measles outbreaks. Hackney and the City of London had the lowest uptake across all local authorities in England, with coverage of only 68 per cent last year, down from 88 per cent a decade ago.

Dr Gayatri Amirthalingam, UKHSA immunisation deputy director, said London had "an ethnically and socio-economically diverse population and health inequalities persist".

She added: "The population is also very mobile with many families moving in and out of the city and between boroughs, who may not immediately register with a new GP."

The NHS launched a vaccination drive in December, promising to make "booking a job as easy as booking a cab" and offering services in local venues such as community centres.

The Department of Health and Social Care said that NHS and GP practices sent reminders to encourage parents and carers of children not fully vaccinated to come forward, adding it continued to look at ways to boost vaccine uptake further through community pharmacists and health visitors.

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NATIONAL

Starmmer faces conference test over winter fuel allowance

Two unions to debate and vote on decision to remove payments from 10mn pensioners

JIM PICKARD AND LUCY FISHER
LIVERPOOL

Sir Keir Starmer will face a big challenge to his authority at the Labour conference in Liverpool to debate and vote on the government's cuts to the winter fuel allowance for pensioners.

Two trade unions on the left of the party have secured time at the conference in Liverpool to debate and vote on the prime minister's decision to remove the allowance, worth up to £300, from 10mn pensioners.

The vote pushed by Unite and the Communication Workers Union could come as early as today. It would not be binding on the government, but threatens to embarrass Starmer as the newly installed prime minister battles to reassert his authority in the wake of controversies about gifts he and other ministers have taken from rich donors.

Labour had hoped the annual gathering would be a jubilant victory rally for a party that is back in government for the first time in 14 years.

Instead it has been overshadowed by allegations of sleaze, criticism of Starmer's gloomy tone on the economy, and bitter briefings about his chief of staff.

The government unexpectedly announced cuts to the winter fuel allowance shortly after winning power in July in an attempt to save £1.4bn a year.

The decision has made many Labour MPs uneasy and 52 of them abstained on

a House of Commons vote on the policy earlier this month.

Some charity groups have warned that the cut could leave large numbers of pensioners vulnerable during the coming winter months. The cut limits the benefit to the poorest pensioners who are entitled to pension credit.

Delegates at the Labour conference may vote in support of the policy, but if Starmer loses the vote it would be a striking rebuke on a significant government policy at his first party gathering as prime minister.

Unite, which represents 1.1mn workers across a range of industries, has pursued a critical approach towards Labour's leadership since Starmer took the helm of the party in 2020.

Sharon Graham, general secretary at Unite, traditionally one of Labour's biggest donors, scaled down the union's financial support ahead of the general election.

She said yesterday that she wanted Starmer to reverse the "cruel policy" as quickly as possible.

"I'd like him to say that he's made a mis-step and to reverse that policy. I'd also like him to say that we're not going to take this country down austerity mark 2," she told Sky News.

Unions unanimously backed a similar motion at the recent Trades Union Congress and together hold 48 per cent of the votes at Labour conference.

Delegates at Labour conference either



Chancellor Rachel Reeves and Prime Minister Sir Keir Starmer applaud the speech of deputy PM Angela Rayner on the opening day of the Labour party conference in Liverpool

Charlie Bibby/FT

represent affiliated organisations such as unions or local Labour members in each parliamentary constituency.

"We don't need many of the constituency delegates to join us to win the debate," said one union leader.

One government figure said the debate over the policy had been expected and said Labour would provide a boost to pensioners this year by increasing the state pension.

The row comes as Labour has sought to draw a line under a controversy over gifts from wealthy donors including Labour peer Lord Waheed Alli.

Yesterday deputy prime minister Angela Rayner insisted she gave "nothing" to Alli in return for a five-day stay in a Manhattan apartment and thousands of pounds of free clothing.

Rayner told the BBC as Labour's annual conference kicked off yesterday

that politicians from all parties had accepted gifts "for years" and that "all MPs do it".

"I promised nothing and gave him nothing in return," she said of Alli's donations.

The media tycoon has given thousands of pounds of gifts such as free clothing to seven sitting cabinet ministers including Rayner and Starmer.

The prime minister initially failed to declare clothing gifts from Alli worth £16,200 to him and £5,000 to his wife.

Rayner said she understood that the general public was "angry and upset" and said that the rules had to apply to everyone in politics. "If there is a national debate about how to fund politics... let's do that."

On Friday the Financial Times revealed that both Rayner and chancellor Rachel Reeves had declared gifts of

'I'd like Starmer to say he's made a mis-step and also that we're not going to take this country down austerity mark 2'

thousands of pounds of clothing from donors in parliament's register of interests as generic support for their political work.

In an attempt to shut down the scandal, the party pledged on Friday that Starmer, Reeves and Rayner would not take any free clothing in future.

Rayner denied breaking parliamentary disclosure rules after The Sunday Times reported that her friend Sam Tarry had also stayed in Alli's Manhattan apartment with her.

She said yesterday that this did not break the rules. Her team said the presence of Tarry — who was a Labour MP at the time — did not need to be reported because Alli did not know he was there.

Asked why she stayed in the flat for free, she told the BBC: "As friends do, a friend allowed me to stay... people do stay at other people's apartments."

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INTERNATIONAL

Middle East

US cautions Israel against full-blown war

Tensions rise amid fierce exchanges of fire with Lebanese militant group

JAMES SHOTTER — JERUSALEM
RAYA JALABI — BEIRUT
FELICIA SCHWARTZ — WASHINGTON

The US directly warned Israel against opening a full-blown war with Hizbollah yesterday as the Lebanese militant group and Israeli forces engaged in some of their most fierce exchanges of fire since October 7.

In strikes capping a week of spiralling hostilities, Israeli jets mounted some of the heaviest bombing raids in southern Lebanon since the start of the fighting last year, while Hizbollah fired rockets towards the city of Haifa.

The escalating attacks have fuelled fears that the hostilities could tip into a full-scale land war.

John Kirby, the US National Security Council spokesperson, warned Israel that there were “better ways” to ensure Israeli citizens could return to evacuated homes in the north “than a war, than an escalation, then opening up a second front”.

Kirby added on ABC’s *This Week*: “We don’t believe that a military conflict, and we’re saying this directly to our Israeli counterparts . . . we don’t believe that escalating this military conflict is in their best interest.”

US defence secretary Lloyd Austin called his Israeli counterpart on Saturday to stress “the importance of achieving a diplomatic solution” and highlight

his concern about the safety of US citizens in the region, the Pentagon said.

The Israeli military said Hizbollah had launched about 150 projectiles early yesterday, with rockets aimed deeper into Israel than in previous

‘We don’t believe that escalating this military conflict is in their best interest’

barrages. While most were intercepted, Kiryat Bialik and Tsur Shalom in Haifa’s suburbs, and other areas in the country’s north, sustained hits.

Hizbollah said the rockets were in retaliation for “repeated” Israeli

attacks, as well as an “initial” response to mass detonations of its communications devices earlier this week that killed 37 people and injured more than 3,000 across Lebanon. Hizbollah has blamed the device explosions on Israel, which has not directly confirmed or denied responsibility.

Despite international calls for Israel to avoid escalating hostilities, Benjamin Netanyahu promised no let up in the military pressure on Hizbollah. “Over the past few days we hit Hizbollah with a series of blows it hadn’t imagined,” the Israeli prime minister said yesterday. “If Hizbollah didn’t get the message, I promise you, they will.”

As tensions rise across the region, Israel said it had also shot down a drone fired from the east – which was claimed

by militants in Iraq who said they had also targeted Israel with cruise missiles – and launched a raid in the Palestinian city of Ramallah to shut the local Al Jazeera office for 45 days.

Israel has accused the media group of being a mouthpiece for militants. Al Jazeera has rejected the claims.

Nadav Shoshani, a spokesman for Israel’s military, accused Hizbollah of “targeting civilians” in its latest round of strikes, and the military said it would continue to strike to degrade the Lebanese group’s capabilities.

The Israeli military said yesterday it had hit about 290 targets in Lebanon in the preceding 24 hours, destroying thousands of rocket launcher barrels and other infrastructure belonging to Hizbollah.

Germany

SPD on course for win over far right in Brandenburg state election

GUY CHAZAN — BERLIN

Germany’s Social Democrats were on course for a narrow victory in elections in the eastern state of Brandenburg, an unexpected reprieve for Olaf Scholz as he prepares to run for a second term as chancellor next year.

Projections by public broadcaster ARD put Scholz’s SPD on 31 per cent, slightly ahead of the far-right Alternative for Germany on 30 per cent.

They suggest the SPD can continue to govern Brandenburg, a state the party has ruled since German reunification in 1990 and which has long been seen as one of its national strongholds.

That will relieve the pressure on the chancellor, whose approval ratings have slumped in recent months and who has been named by pollsters as the least popular chancellor since reunification. A survey published last week found only 3 per cent of voters support his coalition of the SPD, Greens and liberals.

Many in the SPD had privately suggested Scholz should set aside his ambitions of running for a second term in next year’s Bundestag election and improve the party’s fortunes by making way for a more popular politician, such as defence minister Boris Pistorius.

But with the SPD projected to win in Brandenburg, such critical voices may be silenced, at least temporarily.

The preliminary results show that the huge gamble undertaken by Brandenburg’s prime minister, Dietmar Woidke, appears to have paid off.

Woidke had threatened to resign if the AfD came first in yesterday’s election. The threat galvanised moderate voters of all persuasion, who rallied round their prime minister and secured him a narrow victory.

An exit poll by ARD found 75 per cent of SPD voters and 59 per cent of voters for the centre-right Christian Democratic Union said they were “not convinced by the party, but I’m voting for it to prevent a strong AfD”.

Woidke told supporters yesterday: “It seems to be the case that it was the Social Democrats, as so often in history, that stopped the extremists on their path to power.”

Kevin Kühnert, the SPD’s national general secretary, said: “Dietmar Woidke and the Brandenburg SPD have staged a furious catch-up race.”

He noted that the party had been polling at below 20 per cent a few weeks ago and according to exit polls was now above 30 per cent.

Experts said a key reason for Woidke’s success was his decision to eschew joint appearances with Scholz during the campaign and to distance himself from the chancellor’s policies, in a clear attempt to prevent his local SPD being tainted by association with an unpopular Berlin coalition.

But the SPD’s apparent success in Brandenburg is unlikely to translate into better approval ratings nationwide. The party – together with its coalition partners, the Greens and liberal Free Democrats – has been blamed by voters for high inflation, surging energy costs and a stagnating economy.

Woidke has headed a coalition of the SPD, CDU and Greens since 2019 and the ARD projections suggest the alliance can stay in power for a further term.

Rule change. Residence options

Rich seek fresh havens as UK scraps tax perk

Advisers across Europe

flooded with inquiries as end

of ‘non-dom’ status looms

BARNEY JOPSON — MADRID
EMMA AGYEMANG — COPENHAGEN
ELENI VARVITSIOTI — ATHENS
AMY KAZMIN — ROME

The UK’s impending abolition of a tax perk for wealthy residents has triggered a pan-European hunt for fiscal havens as the rich cast a wide net from sunny upstart destinations such as Portugal to dependable Switzerland.

Tax advisers across the continent are reporting a rush of inquiries that began when the UK’s previous Conservative government pledged to end its non-domicile tax regime from 2025, and accelerated when the new Labour administration said it would follow through on the plan.

Non-dom status is accessible to UK tax residents whose permanent home or “domicile” is overseas. It enables beneficiaries to avoid paying British tax on their foreign income or capital gains for 15 years, provided they do not bring them to the UK.

For the rich whose commitment to the UK will expire with the perk, there are no carbon copies of the British system but several countries offer similar incentives.

Switzerland’s reputation as a haven means it is accustomed to attracting a steady level of interest from the well-off, but Stefan Piller, head of tax and legal at BDO’s Zurich office, said: “We’re getting more requests each week – and many more than we experienced last year.”

The country’s fiscal appeal centres on its low rates of income tax. Most cantons such as Geneva and Zug offer a lump-sum taxation or “forfait” system, based on living expenses, which enables individuals to cut bespoke tax deals. Zurich and Basel have abolished the system.

The levies are “not cheap”, said Justine Markovitz, head of Withers’ Swiss practice, but they do provide certainty. The downside is that people in the forfait system cannot work in Switzerland.

Another option is Monaco, the tiny Mediterranean principality with no income or capital gains tax.

Many UK non-doms are weighing their options with April 6 2025 in focus, when the old regime will be abolished. It



Appeal: Switzerland has long attracted wealthy incomers looking for a low tax rate

Nikada/Getty Images

will be replaced with a system under which new resident applicants, who have lived outside the UK for at least a decade, will be exempt from tax on foreign income or capital gains for four years, not 15.

The Labour government has said it will also end the ability to permanently shield foreign assets held in a trust from its 40 per cent inheritance tax.

“It is inheritance tax that is causing most of the upset,” Markovitz said. “I’m finding many people say: ‘I can’t do that for my kids, I can’t sacrifice 40 per cent of my asset base.’”

Switzerland does not have a levy at a federal level and its cantons charge relatively low or no inheritance tax.

Portugal, another place attracting the wealthy’s attention, does not impose an inheritance tax. Lisbon does have a 10 per cent “stamp duty” on Portuguese assets passed on after death.

Portugal has in the past decade courted foreigners with golden visas and a generous fiscal regime for tax residents who remained domiciled elsewhere. But much has changed.

Its previous centre-left government scrapped the non-dom regime last year and replaced it with more limited tax incentives for foreigners and returning Portuguese expatriates. Those include a tax exemption on foreign income, excluding pensions, and a 20 per cent flat tax on Portuguese work or business income from qualifying activities.

Now, crucially, a new centre-right government aims to implement its predecessor’s policy by year-end – and tax advisers expect more people to become eligible for the new system.

“We have received many questions,” said Luis Nascimento, a tax adviser at consultancy Ilya. “[But] until the government publishes the new ordinance,

‘When you assess the pros and cons, clients want a stable legislative framework – they don’t want only a stable tax amount’

there is still a lot of uncertainty about what the new regime will be.”

Nuno Cunha Barnabé, tax partner at Lisbon law firm Abreu Advogados, said Portugal also wanted to sell its lifestyle. “If you live in London and what you like about it is going to fancy restaurants, the nightlife and the buzz, then Portugal is not for you,” he said. “But if you want a country that is quieter, where the weather is good, where there is outdoor living, Portugal is probably for you.”

A Mediterranean lifestyle is also part of Italy’s appeal, despite its decision to double a flat tax on the foreign income of rich expats to €200,000 a year.

“If you are asking someone to buy a product and the next day it doubles, no one is happy,” said Jacopo Zamboni, executive director for private clients at Henley & Partners. But, he added, “when you assess the pros and cons, clients want a stable legislative framework – they don’t want only a stable tax amount.”

Italy’s regime, which is available for 15 years to new tax residents who invest at least €250,000, was set up in 2016 in a post-Brexit push to lure wealthy people away from the UK. Since 2017 it is estimated to have attracted about 4,000 multimillionaires, including oligarchs and private equity investors. Wealthy individuals who relocated before the recent increase will continue to pay €100,000 a year.

Greece has a similar system. Introduced in 2019, its regime offers a flat annual tax of €100,000 on foreign income for 15 years for individuals who meet residency requirements and invest at least €500,000 in real estate, businesses, or securities.

So far the regime has attracted more than 230 millionaires to the country.

Vassilis Vizas, leader of tax and legal services at PwC Greece, said he had seen a surge in interest in Greece from UK non-doms in recent months, but noted that most of them were rich individuals of Greek descent.

The durability of Greece’s fiscal regime is one issue on the minds of potential residents. Although Vizas sees no signs of reforms on the horizon, he said “one common question is whether the favourable tax policies will remain unchanged”.

Additional reporting by Sérgio Anibal in Lisbon

Weapons

EU defence commissioner calls for obligatory arms stockpiles

ANDY BOUNDS — BRUSSELS

The EU’s first defence commissioner wants to force countries to stockpile minimum levels of ammunition and other supplies, saying it is the best way to scale up the bloc’s undersized arms industry to prepare it for war.

Andrius Kubilius, who will take the job this year if the European parliament approves, said the EU must prepare for Russian attack within a few years.

He compared his plan with similar arrangements for natural gas, under which countries must keep reserves and share them with neighbours in need.

“Why do we not have some kind of criteria called military security to keep in storage such and such an amount of artillery shells and some other products . . . let’s say powder [explosives]?”

“You bring added value to the security of member states, but in addition you are creating permanent demand for production, which is the biggest issue for the defence industry. They lack stable long-term orders for production.”

The EU has tried to boost weapons output after Ukraine was forced to ration shells and missiles in its effort

to push back Russian offensives.

Finland, Russia’s neighbour, is one of the few EU states with large arms reserves while media in Germany in 2022 said its army would run out of ammunition after two days of fighting.

Kubilius said he had no wish to duplicate the role of Nato. Officials at the US-dominated alliance have criticised the EU’s alternative set of equipment standards and procurement efforts.

In March, the EU allocated €500mn under the Act in Support of Ammunition Production to boost capacity to 2mn shells annually by the end of 2025.

Kubilius, a former Lithuanian prime minister, said that was an improvement on the 300,000 annual limit when Russia attacked Kyiv in 2022. But more was needed, he said. “If I’m correct, we’re still behind the Russians.”

Commission President Ursula von der Leyen has said the bloc needs to contribute €500bn to make up the shortfall in defence spending since the end of the cold war in the 1990s.

She has given Kubilius 100 days after taking office to produce a white paper on defence strategy. It should include a European air shield, which would cost

hundreds of billions of euros, and a cyber defence system, she said.

Kubilius wants EU member states to borrow the money for this jointly, an idea opposed for now by net budget contributors Germany and the Netherlands. He will also sketch out other projects of common interest that would be eligible for EU funding, including ways of incentivising defence companies to work together across borders.

The tendency of various European governments to favour their own national champions has led to a proliferation of different models of tanks, artil-



The EU has allocated funds to boost production to 2mn shells annually

lery pieces and fighting vehicles, denting efficiency. To attract private money, meanwhile, the EU must change investment rules to classify defence spending as sustainable, Kubilius said.

He also said he wanted to work more closely with Ukrainian arms manufacturers as drones and missiles had transformed the modern battlefield. “They have real-world experience,” he said.

Kubilius warned that there was no time to lose, citing Germany’s assessment that Russia could be ready to attack an EU member by 2029.

Kubilius said EU industry plans could include the UK, which has left the bloc.

“We consider Britain as part of Europe,” he said. “Democratic Europeans should be as united as possible. I see the danger of our weakness . . . and Putin could be tempted to look for some additional adventures.”

“But the Chinese are [also] watching. The Chinese will make one simple conclusion. The west is quite weak. Despite the fact the combined western economic spending power is 25 times stronger than Russian, we are not able to win. What is the reason? It’s a question of political will.”

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INTERNATIONAL

Victory plan

Zelenskyy to push Biden for security pledge

Ukrainian leader argues forcing Russia to talk will cement president's legacy

ISOBEL KOSHIW — KYIV

Volodymyr Zelenskyy will press Joe Biden for binding security guarantees before the US president leaves office, to bolster Ukraine's position and compel Russia to join peace talks.

The Ukrainian leader has in recent months stepped up preparations for possible negotiations with Moscow in anticipation of a shift in US policy after November's presidential election.

Zelenskyy ordered an invasion of the Kursk region of Russia in August to gain

territory as leverage in future talks and has said he is ready for a peace conference with Moscow's involvement.

Speaking to journalists before a trip to the US this week, where he will attend the UN General Assembly in New York and hold talks with Biden, Zelenskyy said he would present a "victory plan" to the US president that he hoped would end the war.

Zelenskyy said the plan, which he wants to be implemented by the end of December, would strengthen Ukraine and force Russia to the negotiating table. "The victory plan, this bridge to strengthening Ukraine, can contribute to more productive future diplomatic meetings with Russia," said Zelenskyy on Friday in Kyiv.

He described the initiative as Biden's opportunity to go down in history as the president who secured Ukrainian independence. He emphasised that the plan needed to be implemented before Biden left office in January.

"I think this is a historical mission," said Zelenskyy. "Let's do all this today, while all the officials who want the victory of Ukraine are in official positions."

Ukraine has lost territory daily to Russia this year and Moscow has shown no sign that it is willing to negotiate.

The Ukrainian leader outlined the four points of the "victory plan" but declined to go into detail.

The first point, he said, was further security guarantees. Ukraine has signed long-term commitments with the US

and other western allies but wants harder assurances akin to the mutual defence guarantee that comes with Nato membership. The second was Ukraine's Kursk operation, which he said was "fulfilling" its task of diverting Russian offensive power.

Zelenskyy's third request was for "specific" advanced weapons. He did not elaborate on the type of weapons system he wanted. The fourth was the joint development of Ukraine's economy together with its partners.

"Today you help us in the implementation of this plan and in the future Ukraine will save you a lot of your resources," said Zelenskyy.

Zelenskyy does not view the "victory plan" as a replacement for his "peace

formula", a 10-point initiative based on the UN Charter that lays out a framework for a lasting settlement. Rather, it will give Ukraine what it needs to get Russia to the negotiating table where the peace formula would be discussed, he said.

Zelenskyy again ruled out a Minsk-style peace agreement where the conflict would be frozen, stating that Russia would only invade again. "We need a just and stable peace," said Zelenskyy.

After speaking at the UN on Wednesday, Zelenskyy will travel to Washington to present the plan to Biden and vice-president Kamala Harris, who is running against Donald Trump in the election. He plans to meet Trump after his visit to Washington, he said.

Presidential vote

Leftist wins Sri Lanka's first election since 2022 debt default

JOHN REED AND MAHENDRA RATNAWEERA — COLOMBO

Anura Kumara Dissanayake, a neo-Marxist outsider candidate, has won the Sri Lankan presidency, delivering the nation's biggest political upset since its independence from Britain and throwing fresh doubt on its fragile IMF-backed debt restructuring.

After a hectic five-week campaign, the 55-year-old leftist beat incumbent President Ranil Wickremesinghe and the main opposition leader, Sajith Premadasa, the son of a former president.

Sri Lanka's election commission officially declared Dissanayake, who is widely known by his initials AKD, the country's duly elected president around 7.30pm yesterday.

In a statement on social media, the president-elect promised Sri Lankans "a fresh start". "The dream we have nurtured for centuries is finally coming true. This achievement is not the result of any single person's work, but the collective effort of hundreds of thousands of you," he said.

Wickremesinghe came to power in 2022 after the country defaulted on its foreign debt and its leader at the time, Gotabaya Rajapaksa, fled. He said he was entrusting to his successor "the beloved child of Sri Lanka" and referenced his role in securing a \$3bn loan agreement last year that paved the way for the country's continuing debt restructuring.

"I followed the right path and saved people from hunger and sorrow," he added. "I hope that the new president will also follow the right path and put an end to the remaining issues that the people were facing."

Dissanayake emerged as the front-runner early yesterday, winning 42 per cent of the votes when they were first counted. However, the ballot then went to a second count, between the top two contenders — him and Premadasa. That was because Sri Lankan electoral rules allow voters to give second and third choices, which are then taken into account if the top-polling candidate's support is below 50 per cent.

After the second count, Dissanayake emerged as the clear winner, with a final tally of about 5.74mn votes. Premadasa had gained about 4.53mn votes.

Turnout in the election — Sri Lanka's first vote since its 2022 economic meltdown and debt default — was 79 per cent, down slightly from 83 per cent in the 2019 presidential election.

Harini Amarasuriya, a politician from Dissanayake's National People's Power (NPP) coalition, said the victory was "a vote against the traditional elite politics that was part of our culture" and had capitalised on frustration among voters over the corruption of the political dynasts who have for decades taken turns ruling Sri Lanka.

"This is not just a transfer of power from one party to another," she said. "It's a real shift in power dynamics."

The NPP would now call for the dissolution of parliament and the holding of a new election "as soon as it's constitutionally possible", she added.

Dissanayake has pledged to continue with Sri Lanka's IMF agreement. But he said he would alter some of its rigid conditions to grant more relief to the country's 23mn people, about a quarter of whom are in poverty after two years of economic crisis and austerity.

Election. US presidency

Early voting begins in race for the White House

Tens of millions expected to cast their ballots this month, either in person or by mail

LAUREN FEDOR AND MARTHA MUIR WASHINGTON

For a growing number of Americans, election day is already here. Polling day may be set for November 5, but in several states voting is under way, with tens of millions of Americans expected to cast their ballots before then.

In-person voting began on Friday in three states: Minnesota, South Dakota and Virginia. A handful of others, including Alabama and Wisconsin, have started mailing ballots to voters who have requested them and several more will follow suit in the coming weeks.

"Happy voting season!" declared one Democratic party activist outside a government building in Arlington, Virginia, on Friday, where several hundred voters lined up before the polls opened at 8am to be among the first in the country to cast their ballots for the White House.

"We want to win in October, not November 5," said Rose Fabia, a 65-year-old Democratic party volunteer wearing an "I VOTED" sticker on her lapel. "It is psychological, showing to the other side that we have the numbers."

About 20 miles away, outside a polling station in nearby Fairfax, Virginia, MaryLyn Field-Nguer, 76, was leafletting for the Democrats after casting her own ballot for Kamala Harris.

"I really wanted to be the first person in line," Field-Nguer said. "Anything could happen, and if anything prevented me from voting I would never forgive myself."

Voters have long been able to request absentee ballots in advance of US elections. But the practice of early voting — either in person or by mail — became more widespread during the Covid-19 pandemic. A record 100mn-plus Americans exercised their franchise before election day in 2020.

While it remains unclear whether a record for early voting will be set this election cycle, there are strong signs that the practice remains popular in many parts of the country. According to the US Census Bureau, just under half of people casting ballots in the 2022 midterms voted before election day — a trend experts say is likely to continue.

On Friday morning in Arlington, a queue of waiting voters had already stretched on to a second floor of the gov-



Early days: people fill in their ballots in Fairfax, Virginia, one of three states where in-person voting began on Friday — Shawn Thew/EPE-EPE/Shutterstock

ernment building within the first hour of the polls being open.

Gretchen Reinemeyer, general registrar and director of elections for Arlington county since 2019, said the precinct could "easily be on track" to match the number of early votes registered on the first day of voting in 2020, when some 1,400 people cast ballots.

"Any October surprise is probably going to have less potency because so many early votes have already been banked," said J Miles Coleman, a non-partisan analyst at the University of Virginia Center for Politics.

Arlington, just outside Washington, is a heavily Democratic area: the county backed Joe Biden by an 81-17 margin over Donald Trump in 2020. Biden won statewide in Virginia by 10 points.

A small but critical share of the electorate swung to the right the following year in an off-year governor's election to support the more moderate Republican Glenn Youngkin, and on Friday several Republican volunteers were also outside the polling station encouraging people to back Trump over Harris.

The Financial Times poll tracker shows Harris with a lead of more than seven points over Trump in Virginia, but some recent surveys of the state have suggested the race may be closer.

GOP volunteers in Arlington were

also urging people to vote early. "You never know what is going to happen on election day," said Matthew Hurtt, chair of the Arlington Republicans, who added that "from a campaign perspective", voting early also helped organisers target their efforts better in the run-up to election day.

Records are updated in near real-time showing how many ballots have been cast and who has voted. That allows campaigns and both political parties to stop reaching out to people who have cast ballots and focus their resources on those who have not.

"It takes you off the list to receive mailers and to receive other campaign materials, so you save the campaign money and you save your mailbox," Hurtt added.

Yet early voting has emerged as a divisive issue among Republicans in particular, who have tended to favour voting in person on election day.

Trump has sown distrust in the electoral system and continued to maintain, without evidence, that the 2020 election was "rigged" and "stolen" from him. The former president has repeatedly claimed that mail-in voting in particular is a serious source of fraud, and this month he promised that, if elected president, he would prosecute anyone who "cheats" in this year's ballot.

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In Fairfax, Katie Gorka, chair of the Fairfax County Republican Committee and a former Trump administration official, questioned why voters needed access to expansive early voting now that the pandemic was over.

"But as long as these are the rules we encourage Republicans to abide by them so that we can win," she added.

Bart Marcois, a 60-year-old consultant who voted for Trump in Fairfax, said: "The whole Republican party is trying to get people to vote early because the Dems vote early."

"We show up on election day and say 'yay we had a big turnout' but theirs is already in the bag."

"They're harvesting ballots and carrying them in," Marcois added, in an apparent reference to Trump's unsubstantiated claims that Democrats were submitting illegal ballots. "Every Republican is worried about fraud."

However, other Republican voters were more optimistic.

"Voting is just one of the most important gifts our Founding Fathers gave to this country," said Mariam Bell, a 69-year-old retiree holding a "Women for Trump" sign in Fairfax. "This is not about Republicans or Democrats, though, it's about elites versus the average American. Trump understands this and has changed the paradigm."

Alongside retail and business subscribers, Starlink has also made inroads into Brazil's public sector, according to government procurement and transparency sites. SpaceX did not respond to requests for comment. A law firm representing Starlink in Brazil said it was not authorised to comment.

The service has come under fire from other authorities in Brazil. Public officials say its devices have become an essential communications tool for environmental criminals in the Amazon.

On a recent mission to destroy an illegal mining base in the Yanomami indigenous reserve, accompanied by the Financial Times, operatives discovered a Starlink antenna, one of dozens seized this year. "Sometimes you see the miners running away with the equipment on their back," said one of the security agents. "Every camp has one."

Connection to the outside world allows the miners to receive advance warning of raids. André Porreca, a prosecutor in Amazonas state, said the use of Starlink services in illicit actions was

often instigated by local criminals. "The problem itself is not internet access," Carlos Baigorri, head of Anatel, said in a July interview. "The problem is the illegal activity." Defenders of Starlink point out that mobile phones and computers are also used by criminals.

However, Starlink appears to have changed tack. A supreme court recently ordered the company to hand over geolocation and user data. A person familiar with the situation said the demand was being complied with.

The government is keen to see new entrants into the market to offset concerns about lack of competition. It has met tech group Amazon to discuss its service, which is expected to be available in Brazil from 2026. Last week satellite communications business E-Space was authorised to launch.

"Having a second or third supplier would greatly minimise this concern about the total unavailability of the service with no alternative," said Ayub. Additional reporting by Beatriz Langella in São Paulo

Court dispute

Musk's satellite service Starlink exposed to legal jeopardy in Brazil after judge bans X

MICHAEL POOLER — SÃO PAULO

Brazil's ban on social media platform X has led to greater scrutiny of another part of Elon Musk's business empire: Starlink.

From Amazonian tribes and farming frontiers, to the armed forces and offshore oil industry, the satellite internet service has connected remote corners of the continent-sized territory to the worldwide web since launching there in 2022.

Access for Starlink's 225,000 users in Latin America's largest nation was thrown into doubt after it was recently dragged into the dispute surrounding the supreme court's shutdown of X.

The episode reveals Starlink's legal vulnerabilities in the country and has raised concerns among hundreds of thousands of people and businesses in Brazil — often in isolated areas — for whom it has become a vital tool.

"If Starlink is blocked, there will be chaos in communications at the farm level, from issuing invoices to

[remotely] controlling machines," said Odacil Ranzi, a crop grower in the rural interior of Bahia state.

When X was briefly reinstated in Brazil on Wednesday, the social media platform blamed an "inadvertent" technical update and said it would continue to abide by the nationwide ban.

But authorities accused it of seeking deliberately to disobey the ruling by supreme justice Alexandre de Moraes from the end of last month.

The judge had clashed with Musk over X's refusal to obey court orders to take down accounts suspected of spreading misinformation, before blocking the network after it failed to appoint a local legal representative.

Moraes also ruled Starlink formed part of the same "economic group" because of their ultimate common shareholder, so could be held jointly responsible for X's court fines.

A subsidiary of rocket builder SpaceX, which is controlled by Musk, Starlink is a distinct company to his social media group. It initially refused to

implement the X blackout unless Brazil reversed what it called an "illegal" freeze of its bank accounts, imposed to guarantee the payment of X's penalties.

After a warning by Anatel, Brazil's communications regulator, that Starlink could lose its licence to operate if found to be in breach of court rulings, the company abided by the prohibition.

Last week, Starlink's assets were unfrozen, but only after R\$11mn (\$2mn) was taken from its accounts. On Thursday, the court imposed a daily fine of R\$5mn on X if the social media network continued to be available in Brazil, with Starlink also held responsible.

While Anatel itself has questioned the practical viability of blocking the service, the dispute has led to worries about Starlink's position in Brazil. Although it represents only 0.5 per cent of Brazil's broadband market, Starlink has rapidly become the leader in satellite internet. It controls almost half of the segment.

With a fleet of low-orbit satellites whose signals reach distant places not served by regular cable and fibre-optic

internet providers, telecoms experts said Starlink was cheaper and easier to install than rival products.

"This combination of better quality and lower cost means that other traditional offers, while in theory competing with Starlink, are in practice not even comparable to it," said Thiago Ayub, chief technology officer at Sage Networks, an IT services company.



Elon Musk's internet provider Starlink is a distinct group from X

INTERNATIONAL

Week of assaults leaves Hizbollah under pressure to change tactics

Militant leadership battered and weakened by sabotage and air strikes

RAYA JALABI — BEIRUT
ANDREW ENGLAND — LONDON
JAMES SHOTTER — JERUSALEM

Two days after a devastating sabotage operation stunned Hizbollah and plunged its communications network into chaos, one of the militant group's most senior military leaders called a clandestine meeting of at least 15 elite officers in southern Beirut.

By nightfall the men were dead, killed along with at least 10 civilians in an Israeli air strike on Friday that targeted the residential building in Hizbollah's heartland where they had gathered in an underground room.

The attack dealt a crushing blow that rounded off probably the most calamitous week in the Iranian-backed, Lebanese group's 40-year history.

Coming so soon after suspected back-to-back Israeli attacks on Tuesday and Wednesday that caused thousands of Hizbollah's pagers and walkie talkies to explode, killing at least 37 people and wounding thousands, it reinforced the group's vulnerability to Israel's intelligence agencies.

Not only had Israel been able to strike at the heart of Hizbollah's command and control structures, it also delivered a stinging psychological blow, spreading panic across Lebanon and undermining the credibility of the nation's dominant political and military force.

"It's definitely the hardest moment for the organisation since the 1990s," said Emile Hokayem, director of regional security at the International Institute for Strategic Studies.

"Militarily, it's the biggest blow they've suffered so far."

Hizbollah, battered and humiliated, must now determine how it responds.

The group has been locked in an intensifying conflict with Israel since it first fired rockets into the country a day after Hamas's October 7 attack triggered the war in Gaza. Those clashes, however, have largely been contained to the Lebanese-Israeli border region. Hizbollah has made clear it does not want to be drawn into an all-out war with Israel's far better equipped military.

But Israel said last week that it was entering a "new phase" of the conflict as Beirut was hit by audacious attacks and the border region was pounded by the heaviest air strikes of the conflict.

Analysts said Hizbollah was facing mounting pressure from its supporters to change tactics and more forcefully repel Israel in a bid to restore its deterrence. Yet at the same time it is grappling with the aftermath of its most serious security breach in recent history, a severely disrupted communications network and the loss of some of its most senior commanders.

"Hizbollah's flank is exposed and they know it," said a person familiar with the group's thinking. "I don't think they've ever been in such a vulnerable position before and it's sowing enormous fear and panic. Everyone is wondering at all times, 'What does Israel have in store for us next?'"

Hizbollah's response has been muted, with its leader Hassan Nasrallah pledging a familiar refrain of retribution and



The scene of an Israeli strike on Beirut in which two Hizbollah commanders were killed. Below, funerals for the victims were held on Saturday
Bilal Hussein/AP

ordering only a slight increase in rocket fire at Israel. The group has acknowledged that two top commanders, including Ibrahim Aqil, the founder of its Radwan Force, were among those killed on Friday.

Aqil's death means that there are now only two out of the seven original members of the jihad council, Hizbollah's top military body, left alive, according to two people familiar with the group's

operations. On top of that, hundreds of the group's fighters were maimed by the exploding pagers and walkie-talkies.

Experts said Hizbollah would probably need time to recuperate and therefore may not significantly immediately escalate the conflict.

The group, Iran's main proxy and one of the world's most heavily armed non-state actors, still boasts a vast arsenal of rockets, accurate precision-guided missiles and tens of thousands of fighters.

During the past 11 months of conflict, it had deployed only a fraction of its capabilities, experts said.

But Israel has spent months targeting its fighters and rocket and missile launchers along the border.

"Hizbollah may be battered and weakened but it is not dead," said Hokayem. "It's still a disciplined, motivated organisation with an ethos and an ideology. They can survive."

The choices facing the group includes raising the stakes with Israel to restore its credibility.

"The other option is to suck it up, but Nasrallah was very clear about it, he's



'It's still a disciplined, motivated organisation with an ethos and an ideology. They can survive'

not going to let go of the linkage between [supporting Hamas in] Gaza and Lebanon, because he knows it's about his political perception and credibility," he said.

In a front-page story on Saturday, Al Akhbar, a pro-Hizbollah Lebanese newspaper that often reflects the group's thinking, said the militants would be forced to change tactics.

"What the enemy did yesterday was like closing the curtain on any political chapter related to the ongoing war in the region, and opening the door to a new level of confrontation that will force the resistance [Hizbollah] to adopt new methods," Al Akhbar wrote.

However, Amal Saad, an academic and Hizbollah expert, said: "No response will restore deterrence, that ship sailed a while ago.

"The next phase will now be about denying Israel its strategic objectives," she said, by preventing some 60,000 Israelis displaced from their country's north from returning home.

"We're talking about a new way to fight now because it's a new paradigm, and a new stage in the war," Saad said.

In the early hours of yesterday, Hizbollah launched more than 100 rockets at Israel, with some landing deeper into northern Israel than previous salvos, including in the Haifa suburbs.

Hizbollah said the barrages were an "initial" response to the mass explosions in Lebanon.

Michael Milshtein, a former Israeli intelligence officer, said it "seems Israel is preparing itself for a broader escalation", adding: "Israel really wants to cause damage to the functional and military sphere in Hizbollah."

But there are also risks for Israel, particularly if it slid into "a broad escalation, even a regional one, not only in the north, without a strategy".

Milshtein said: "We have already seen in Gaza, the war started well by occupying almost half of Gaza, but now we are in a war of attrition.

"I am afraid that without a strategy, we will find ourselves in an unclear war, with heavy prices, a lot of crises with allies, and without very concrete goals. This would be a catastrophe."

'Hizbollah's flank is exposed and they know it. I don't think they've ever been in such a vulnerable position before and it's sowing enormous fear and panic'

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HEAVENLY



Companies & Markets

US banks gain \$1tn windfall from Fed's era of high rates

- Lenders cashed in from 5.5% level
- Savers received average 2.2% return

STEPHEN GANDEL AND JOSHUA FRANKLIN — NEW YORK

US banks made a \$1tn windfall from the Federal Reserve's two-and-a-half-year era of high interest rates, an analysis of official data by the Financial Times has found.

Lenders earned higher yields for their deposits at the Fed but kept rates lower for many savers, the review of Federal Deposit Insurance Corporation data showed. The boost to the country's more than 4,000 banks has helped increase profit margins.

While rates on some savings accounts were raised in line with the Fed's target of more than 5 per cent, the majority of

Because of last week's Fed cut, banks will 'certainly' have 'the ability to reduce deposit costs'

depositors, especially those at the largest banks, such as JPMorgan Chase and Bank of America, received far less.

At the end of the second quarter, the average US bank was paying depositors interest at an annual rate of just 2.2 per cent, according to regulatory data. This is higher than the 0.2 per cent they paid two years ago but far lower than the Fed's 5.5 per cent overnight rate that the banks themselves can get.

At JPMorgan and Bank of America, annual deposit costs were 1.5 per cent and 1.7 per cent, respectively, according to this data. Those lower payments to depositors generated \$1.1tn in excess interest revenue for the banks, or about half of the total dollars banks brought in during that time.

When the Fed lowered its main rate last week by half a percentage point,

some US banks passed the cut on to depositors as soon as possible, a move that would shore up their margins.

Hours before the Fed rate announcement, Citi told its employees at its private bank that if the US central bank were to cut rates by half a percentage point, the bank would do the same to its rate on accounts paying 5 per cent or more, according to a person familiar with the matter.

At JPMorgan, bankers have been told that clients with \$10mn in cash or above would see their savings rates cut by 50bp and future cuts would move in lockstep with the Fed's actions, people familiar with the matter said.

Because of the Fed's cut, banks would "certainly" have "the ability to reduce deposit costs", said Chris McGratty, head of US bank research at KBW. "The degree of aggressiveness will, I think, vary bank to bank."

JPMorgan said it aimed to ensure a fair and competitive rate. Citi and Bank of America declined to comment.

Overall US banks captured about two-thirds of the benefit of the Fed's higher interest rates from March 2022 until the middle of this year, according to the FT's calculations based on the latest data available.

They paid depositors nearly \$600bn in interest. The last time the Fed raised interest rates, from early 2016 to until early 2019, US banks captured 77 per cent of the benefit.

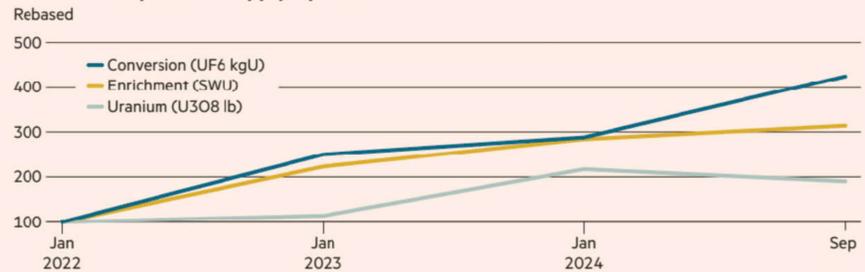
The highest US interest rates in more than a generation have helped push nearly \$3tn into certificates of deposit, which typically pay the highest rates.

As that money becomes unlocked, banks will be able to adjust their rates, analysts said. "It will be a slow grind down," said Scott Hildenbrand, chief balance sheet strategist at Piper Sandler.

Atomic bottleneck Price of enriched uranium fuel surges amid limits to conversion capacity



Nuclear fuel cycle feels supply squeeze



HARRY DEMPSEY — LONDON

The price of fuel for nuclear reactors has surged much faster than that of raw uranium since the start of 2022, in a sign of the bottlenecks that have built up in the west following Russia's invasion of Ukraine.

Enriched uranium has more than tripled in price to \$176 per separative work unit — the standard measure of the effort required to separate isotopes of uranium — since the start of 2022, according to UxC, a data provider.

Demand for uranium has been driven by a revival in atomic power. However, Russia plays a significant role in the multi-stage process of turning mined uranium into the fuel for a nuclear reactor.

This includes converting yellowcake — uranium concentrate — into uranium hexafluoride gas, enriching it to increase the concentration of the type of uranium used for fission, and then turning the enriched uranium into pellets that go into reactors.

Uranium hexafluoride has jumped fourfold in price to \$68 per kg in the same period, indicating that conver-

sion is the biggest bottleneck in the nuclear fuel supply chain, according to analysts. In contrast, uranium ore has only doubled in price.

"The conversion and enrichment prices are reflecting a much bigger supply squeeze due to the Russia-Ukraine war and other factors," said Jonathan Hinze, head of UxC. "Uranium alone does not tell the whole story when it comes to price impacts in the nuclear fuel supply chain."

Russia controls 22 per cent of global uranium conversion capacity and 44 per cent of enrichment capacity. Those services are off limits for some western utilities following a US ban on Russian uranium, although waivers are allowed until the end of 2027.

France, the US, Canada and China also have large-scale conversion sites. The US government said last week that it was closely tracking whether imports of uranium from China were providing a back door for Russian material, after bumper exports in May when the ban was introduced.

The UK used to contribute to global conversion capacity via the Springfields site but conversion services halted in 2014, while France's plant

has faced delays in getting to full capacity.

"The conversion market is very, very tight for the simple reason that existing facilities are in care and maintenance," said Grant Isaac, chief financial officer at Cameco, the world's second-largest uranium producer, on an earnings call.

"Because of the delays in getting all of the conversion-producing centres up to full production in the western world... conversion has a very good tail of strength for the next little while."

Companies such as France's Orano and British-Dutch-German owned Urenco have committed to boosting enrichment capacity, but so far no one has committed to building new conversion capacity in the west.

Nicolas Maes, chief executive of Orano, said at an industry conference this month that investments needed were "massive" compared with the size of the relevant companies.

He compared Orano's annual revenues of almost €5bn to the €1.7bn needed to expand its enrichment capacity in southern France by more than 30 per cent.

HSBC hit by sixfold rise in HK property loan defaults

KAYE WIGGINS AND CHAN HO-HIM HONG KONG

HSBC's exposure to defaulted commercial property loans in Hong Kong surged almost sixfold to more than \$3bn in the first half of this year, underscoring the risks the bank faces from a slump in the Chinese territory's real estate market.

The bank had \$3.2bn in "credit impaired" commercial real estate loans to Hong Kong clients as of June 30, up from just \$576mn six months earlier, according to its financial report for the first half of this year.

Hong Kong is HSBC's largest market for commercial real estate lending. The bank's total global commercial real estate lending was \$79bn as of June. The \$3.2bn in credit impaired loans made up 9 per cent of HSBC's total Hong Kong commercial real estate lending.

The leap in defaults is a sign of how the commercial property downturn in Hong Kong, a financial hub that has for years been one of the world's most expensive real estate markets, has started to hit banks. Prime office rents have fallen more than 35 per cent since 2020, according to property adviser Cushman & Wakefield.

While banks had been under pressure for several years over their exposure to mainland China's property market, the focus was now shifting to Hong Kong, said David Wong, head of North Asia bank ratings at Fitch.

"We're a lot more comfortable saying a line has been drawn under [banks' exposure to] China commercial real estate, versus Hong Kong," Wong said. "I don't think we've seen the bottom yet."

Georges Elhedery, who became HSBC's chief executive this month, said in August while he was chief financial officer that the loans were "all performing", even though "a large number" were classed as credit impaired.

Under the bank's definition, those borrowers have breached the loan terms. That can include missing payments but also "non-financial" measures such as the loan-to-value ratio missing an agreed target figure.

In its financial report for the first half, published on July 31, the bank said "certain borrowers have sought payment deferrals to accommodate debt serviceability challenges". HSBC told the Financial Times last week that "a lot" of the borrowers were still paying interest. The bank declined to provide figures.

Retail & consumer. Turnaround

Nike lifer will aim to return brand to winning ways

Company veteran faces tough task as US sportswear group seeks to revive sales and stock

SARA GERMANO — NEW YORK

Nike's outgoing chief executive, John Donahoe, is an Ivy League-educated former tech executive and Bain consultant. The man who takes his place, Elliott Hill, joined Nike as an intern and has spent his entire career at "the swoosh", bar a brief stint as an assistant trainer for the Dallas Cowboys football team.

The difference in profiles is stark, and one that Nike hopes will reassure shareholders while energising staff for the monumental task ahead — shaking off an existential crisis that has threatened its position as the world's biggest sportswear maker and one of its most recognisable brands. Sales have been slowing, its products have fallen out of fashion and its retail strategy has been out of step with consumer preferences.

To regain its authority in the industry, the board decided, Nike needed an experienced insider rather than a professional executive to lead it. Hill will have his work cut out for him.

Current and former employees, people familiar with the executive transition and initial comments from Wall Street analysts signal that Hill will receive a warm welcome from staff when he takes the helm on October 14. The reaction to rehiring Hill — who is coming out of retirement to take the role — was overwhelmingly positive within Nike, according to one employee. "Elliott is truly a revered leader at the company," they said.

"I worked with so many people during

my three decades at Nike, and Elliott was by far one of the most inspirational, most supportive and most down-to-earth colleagues I ever knew," Scott Reames, Nike's internal historian who retired in 2021, said in an email. "Judging by the way my phone has been blowing up since the announcement, I am far from alone on this!"

The abrupt executive transition comes after months of speculation on Wall Street about Donahoe's future at Nike. At the time of his appointment, in late 2019, the company had already articulated goals of hitting \$50bn in revenue and ramping up direct-to-consumer online sales — benchmarks that an experienced executive with stints at Bain and eBay would be well qualified to achieve.

Donahoe met those demands ably, steering Nike through the Covid-19 pandemic and managing to return to sales growth by the end of 2020, less than a year into the role. As diversity, equity and inclusion became a focus of large companies, he won early praise from staff for listening to their concerns.

But his downfall was his known weakness: unlike previous Nike leaders, such as his predecessor Mark Parker, Donahoe was not a "product guy", someone with their finger on the pulse of design. Retailers from JD Sports to Foot Locker spoke freely in recent months of hotter training shoes from Adidas, On, New Balance and Hoka.

Nike's decision to vacate shelf space at partner retailers in favour of its own direct-selling strategy — which predated Donahoe but accelerated under his leadership — only opened the doors for competitors to take market share.

Even Donahoe's management style marked him as an outsider. From the

start of his brief reign, he told employees he wanted new ideas presented in black-and-white, bullet-pointed PowerPoints, rather than colourful, creative pitches.

Board members were actively discussing succession plans this year, one person said, and also considered two other internal Nike candidates, Craig Williams, president of geographies and marketplace, and Heidi O'Neill, president of consumer, product and brand. But Williams, who joined in 2019 from Coca-Cola, and O'Neill, who came to Nike in 1998 from Levi Strauss, could not match Hill's decades of experience.

In a post on X, former Nike marketing staffer Kyle Stack wrote that "to have a 30-year Nike vet lead the company is reassuring... Hill experienced Nike's frenetic growth in the '90s as part of the sales org. He understands the business as well as anyone."

Hill, who turns 61 on October 2, will become Nike's fifth chief executive, and the third Nike lifer after co-founder Phil Knight and Parker. The only CEO before

Donahoe to join from outside the company was William Perez, a former SC Johnson executive who lasted in the top job for little more than a year.

Nike has rehired other executives with ample internal experience over the past year, including Tom Peddie, former vice-president of North America, who will help the company rebalance its wholesale partnerships.

Nike's efforts to turn itself around are entering a crucial stretch. The company is expected to report quarterly earnings on October 1, detailing the important back-to-school period that analysts look to for indications of demand. Nike has also set its first investor day in nine years for November, where it will set out a vision in greater detail for shareholders who have grown worried about the recent stock slides.

Nike shares are down more than 20 per cent in 2024, though the stock rose 7 per cent in New York on Friday.

Jay Sole, managing director at UBS, wrote on Friday that "Hill is an experienced, effective leader who could put Nike back on a growth path". However, that "sentiment could turn more bearish as the market realises Nike's fundamentals likely aren't great and there are probably no quick-fixes to Nike's issues", he added.

Sole noted that Hill's experience in sales, rather than product development, could be a weak point for the company that has been slow to introduce compelling new trainers in recent months.

Changes atop Nike will not stop the tide of competitors eating into its popularity. "What is unchanged is the heightened competitive environment framed by emergent brands and certain resurgent legacy brands," wrote John Kernan, managing director of TD Cowen.



Elliott Hill is coming out of retirement to take reins at sportswear company

Contracts & Tenders

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The bidders may obtain the RFP documents on all working days between 1030 hours (IST) to 1600 hours (IST) from 18.09.2024 to one day prior to bid submission date on payment of non-refundable fee of Rs. 5,00,000/- (Rupees Five Lakh Only) or US\$ 7000 (US Dollars Seven Thousand Only) + 18% GST as per details provided in the RFP documents available on the website www.recpcdl.in & www.recindia.nic.in. The Request for Proposal (RFP) documents can also be downloaded from our website www.recpcdl.in & www.recindia.nic.in, however, in such cases interested parties can submit Response to RFP only on submission of non-refundable fee of Rs. 5,00,000/- (Rupees Five Lakh Only) or US\$ 7000 (US Dollars Seven Thousand Only) + 18% GST as per details provided in the RFP document. The survey report and clarifications to RFP documents shall be issued to those bidders, who have obtained/purchased RFP document by paying requisite fee. The important timelines in this regard are as follows:

Sr. No.	Name of Project	Last Date for seeking clarifications	Last Date for submission of Response to RFP	Details of Opening of Response to RFP
1.	Transmission system for Augmentation of transmission capacity at 765/400 KV Lakadia S/S (WRSS XX(A) Transco Ltd) in Gujarat - Part B	08.10.2024	22.11.2024 up to 1500 Hrs (IST)	22.11.2024 at 1530 Hrs (IST)

All corrigenda, addenda, amendments, time extensions, etc. to the RFP will be hosted on our websites www.recpcdl.in & www.recindia.nic.in. Bidders should regularly visit our websites to keep themselves updated.

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The details of this tender can be downloaded from the website www.newdelhiairport.in

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Uniper launches the sale process of its coal-fired power plant Datteln 4

Uniper SE launches the sale process of its coal-fired power plant in Datteln in accordance with the state aid approval of the European Commission. The sale will be conducted via an open, fair and transparent process. For further information on how to participate in the bidding process, please refer to the press release from 23.09.24 on our website at: www.uniper.energy/news

The deadline for the submission of interest is October 18th, 2024, 12:00 noon.

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COMPANIES & MARKETS

Silicon Valley resists calls for return to office

Amazon's five-day mandate stirs debate on talent and innovation as more executives push for workplace attendance

STEPHEN MORRIS — SAN FRANCISCO
STEPHANIE STACEY — LONDON

Amazon chief executive Andy Jassy has brooked little dissent since he ordered staff back into the office three days a week in May last year.

"If you can't disagree and commit . . . it's probably not going to work out for you," Jassy warned those who continued to gripe during a town hall in August 2023, brushing off an earlier walkout staged by hundreds of disgruntled staff at its Seattle headquarters.

This week, Amazon doubled down. More than 300,000 of its corporate employees around the world have been told they must revert to the traditional five-day week from the start of 2025, one of the strictest return-to-office policies among big technology groups.

"Before the pandemic, it was not a given that folks could work remotely two days a week, and that will also be true moving forward," Jassy wrote to staff last week. "The advantages of being together in the office are significant . . . You need to be joined at the hip with your teammates when inventing and solving hard problems."

By doing so Jassy — who has been at Amazon since 1997, helped found Amazon Web Services, and replaced founder Jeff Bezos as chief executive in 2021 — has become the figurehead of a growing number of executives pushing for a full return to the office, including Jamie Dimon at JPMorgan Chase and Elon Musk at Tesla.

While Jassy's stance is less draconian than Musk's — who told Tesla staff in 2022 that if they were not in the office at least 40 hours a week they could "pretend to work somewhere else" — the policy puts Amazon at odds with most of its tech rivals.

Only 3 per cent of tech groups with more than 25,000 employees are back to five days in the office, according to software firm Flex Index, which analysed the policies of 2,670 companies. Almost three-quarters follow a structured hybrid pattern and 25 per cent offer fully flexible terms.

Apple, Alphabet, Meta and Microsoft are among those that, at least for now, have a hybrid working pattern, but even these more-lenient policies have had multiple revisions and persistent pushback from staff.

In 2020 Mark Zuckerberg said Facebook, now called Meta, would become "the most forward-leaning company on remote work". Last year he called almost all of its 70,000 employees back to the office at least three days a week.

Google's human resources chief told staff in June last year that full remote



working would be permitted "by exception only". She added that office attendance would be monitored via staff ID badges and would factor in their performance reviews and promotions.

Apple added more days to its "return to office" mandate throughout 2022, starting at one in March and building up to three by the August, despite resistance from some of its 160,000 workers.

'If Amazon wants to achieve a headcount reduction then this is one way to do it'

Even Zoom, whose software facilitated much of the initial boom in remote working during the coronavirus pandemic, told staff in August last year that those living within 50 miles of an office would be obliged to go in at least two days a week.

Other tech groups, including Netflix and Nvidia, have not yet issued a fixed universal mandate for in-person office attendance.

Amazon's headline experiment will be

closely tracked by other leaders when it begins on January 2. At the August 2023 town hall, Jassy said "scores" of other chief executives he spoke to felt the same way about remote work and "virtually all of them" wanted staff back in person full time.

T-Mobile chief executive Mike Sievert has encouraged rival companies to bring their staff back to the office too, telling business leaders at a Technology Alliance event in May in Seattle: "You all gotta get back to the offices."

But many are still wary of breaking the fragile truce and view hybrid contracts as an advantage in recruiting young engineering and coding talent, as well as candidates from more diverse backgrounds, for whom flexibility is often a priority. "We certainly don't have any plans to do [the same]," said one rival west coast Big Tech executive. "It feels a bit like performatively shooting themselves in the foot."

Prithwiraj Choudhury, a professor at Harvard Business School, said: "Any company which does a forceful top-down return to office policy will lose a portion of the best performers, because the best performers always have outside options."

Research from the University of Pennsylvania found that remote positions in technology groups attracted 15 per cent more female applicants and 33 per cent more applicants from minorities under-represented in the sector.

Some Amazon staff have complained online. One posted on LinkedIn that they were seeking a new job, calling the five-day mandate "unfortunate because I'm interested in working for a living, not live-action role-playing and virtue signalling".

There is little prospect of the company making a U-turn. Jassy put the policy at the centre of measures designed to revive Amazon's notoriously hard-charging "Day 1" culture, enforced in the early years by Bezos. One of Bezos's

Amazon chief executive Andy Jassy advocates in-office working. Alphabet, Meta, Apple and Microsoft are among those that, at least for now, have a hybrid working pattern

FT montage/Aaron M. Sprecher/Bloomberg

Amazon has shown it is willing to enforce its office rules. After the three-day mandate was introduced last year, the company monitored staff attendance via their ID passes and sent chastising emails to those not meeting the minimum requirements, the Financial Times reported at the time.

A cull of middle managers is also planned — as many as 7,000 could go to save \$700mn annually, according to estimates from Bank of America analyst Justin Post — adding to the 27,000 staff Amazon said it would lay off last year to cut costs and reshape its bloated corporate operations.

"It's not obvious why Amazon is doing this," said Nicholas Bloom, a professor of economics at Stanford University. "If Amazon wants to achieve a headcount reduction then this is one way to do it — but one group that'll leave is high performers."

Bloom added that Amazon's shift may be supported, in part, by research from Stanford Business School that showed workers were more innovative and creative in face-to-face meetings, although he noted that "doesn't mean you have to go in every day".

His own research, published in July, found that hybrid work was no less productive than fully in-person work — although fully remote work was tied to a productivity drop of about 10 per cent.

Executives who want staff to return to the office have been emboldened by a tightening labour market as the post-pandemic hiring boom subsides, which has shifted the balance of power back towards employers. Technology companies cut 263,000 jobs in 2023 and tens of thousands more have followed this year.

"We haven't yet settled on post-Covid working norms," said David D'Souza, membership director for the CIPD, the UK's professional body for human resources. "Whenever a high-profile company like Amazon makes a decision like this it prompts similar discussions in other organisations as well."

[See Business Life](#)

Amazon's mandate is stricter than most Big Tech policies



Financials

Private equity firms' attempts to lift payouts on loan deals receive pushback from lenders

ERIC PLATT — NEW YORK

Private equity firms are aggressively pushing to include language in loan documents that could give them room to pay themselves larger dividends from the companies they have bought, drawing a sharp rebuke from lenders.

Loan documents have typically capped how much money a buyout firm can extract from a portfolio company. Over time, those fixed amounts became malleable and were based on a percentage of earnings.

But in recent weeks, firms have been attempting to take things one step further with the so-called high-water earnings before interest, tax, depreciation and amortisation provision, which allows a company to use the highest earnings it generates over any 12-month period for critical tests that govern how much debt the company can borrow or the size of dividends it can pay to its owner, even if the business's earnings have fallen back from that high point.

KKR, Brookfield, Clayton, Dubilier & Rice and BDT & MSD Partners have all tried to work the clause into loan documents, according to people briefed on

the matter. All four firms declined to comment.

The terms have received intense pushback from lenders, and in almost every case have removed the documents. But the fact that private equity-backed groups continue to push for the inclusion of the language has lenders on edge, with some fearful rival creditors will buckle and accept the provision.

'It's a really aggressive term. It's a tough time to say, "I'm going to push the envelope further"'

According to lenders who saw drafts, the terms were included in provisional loan documents backing KKR's buyouts of asset manager Janney Montgomery Scott, valued at roughly \$3bn, and \$4.8bn deal for education technology company Instructure, as well as Brookfield's \$1.7bn acquisition of a nVent Electric unit. The clause was also in provisional documents for refinancings by Wesco, which is owned by BDT & MSD Partners, and CD&R's Focus Financial.

"It's a really aggressive term," one creditor said. "It's a tough time to say, 'I'm going to push the envelope further.'"

The fact the language is being tested is one sign of a potential imbalance in the loan market, a critical source of funding for private equity buyouts. With buyout volumes still down from the 2021 peak, investors have had fewer deals to spread their funds across, leading to heightened competition around some loans.

"When you're in a strong market, it's usually harder to push back against" these terms, one banker involved in the Instructure financing said. But, he added, "they're not surviving."

The language has made it into at least one deal, a \$2.1bn term loan for a commercial laundry operation known as Alliance Laundry, claim two people briefed on the matter. The company planned to use the proceeds to refinance debt and pay an \$890mn dividend to its owner, BDT & MSD, according to S&P Global and Moody's. The high-water concept is far more prevalent in European leveraged finance markets. And some bankers and lawyers argue the idea is rooted in common sense.

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COMPANIES & MARKETS

Technology

Perplexity courts top brands for ad push

AI search start-up seeks to break Google's grip on \$300bn digital sector

CRISTINA CRIDDLE — SAN FRANCISCO

Artificial intelligence-powered search engine Perplexity is in talks with brands including Nike and Marriott over its new advertising model as the start-up mounts an ambitious effort to break Google's stranglehold over the \$300bn digital ads industry.

The San Francisco-based group is seeking to redesign the auction-based ads system pioneered by Google, where

marketers bid to have a sponsored link placed against search queries.

Perplexity's AI chatbot gives a comprehensive response to user questions based on information from the internet, citing sources and including links to web pages. Below this, Perplexity offers suggested follow-up queries. Under its new advertising model, brands will be able to bid for a "sponsored" question, which features an AI-generated answer approved by the advertiser.

Perplexity has held talks with a small number of top companies, including Nike and Marriott, according to correspondence seen by the Financial Times. The company said it hoped to roll out

the system by the end of the year and was targeting "premium" brands. Nike and Marriott declined to comment.

Aravind Srinivas, Perplexity's chief executive and a former Google intern, said: "Ads are really useful when they are relevant and coming from brands that are high quality, and a lot of people make purchases based on that."

Perplexity's effort is part of a wave of new competition faced by Google as the search business undergoes its most radical shift in more than two decades.

OpenAI's ChatGPT also provides quick and complete answers to many questions, threatening to render redundant a traditional search engine's list of

links and the lucrative ads that appear alongside them.

Google, which has spent billions of dollars developing generative AI, has launched an experimental AI search function and also considered offering a subscription AI search service, the FT reported in April.

Perplexity's system would charge advertisers on a so-called CPM basis — above \$50 for every 1,000 impressions generated by these sponsored posts, said a person familiar with the model. This compares with roughly \$1,100 for the same number of impressions by Google, according to analysts eMarketer.

Google's search business grew 14 per

cent in the three months to June, compared with the same period the year before. Search accounted for \$48.5bn in revenue, more than half of parent company Alphabet's total revenues.

"As the incumbent champion, Google has the most to lose from any shake-up," said Joseph Teasdale, head of tech at Enders Analysis. "But Google is also in the strongest position: it's strong in AI, users trust it for search and it controls key user surfaces like Android."

Perplexity says it handled 250mn queries in July, compared with 500mn in the whole of last year.

Additional reporting by Eri Sugiura and Kana Inagaki

Shipping

Europe must help green pioneers, says Maersk boss

RICHARD MILNE
NORDIC AND BALTIC CORRESPONDENT

Europe's pioneers in green technology face a first-mover "disadvantage" that must be eliminated for the continent to compete with China and the US, a leading European industrialist has said.

Vincent Clerc, chief executive of Danish container shipping giant AP Møller-Maersk, told the Financial Times that Beijing and Washington offered subsidies to ensure that companies had no incentive to wait on the "highly complex" move of polluting industries cutting emissions.

In Europe, however, the incentive was to "try and wait", Clerc said in an interview.

"Some of the first movers have had first-mover disadvantage," Clerc said of Europe. "That is very concerning for me. The regulatory framework is so important because it can really shorten this period... We've seen this in the US, in China."

Europe should offer similar incentives to those in China and the US, he added.

Maersk operates the world's second-largest container shipping line by capacity and is widely regarded as a bellwether of global trade.

Among European green pioneers, wind farm developer Ørsted and battery maker Northvolt have struggled in recent months. Ørsted in August scrapped plans for a flagship green-fuels

'We would like to have Europe as a place where we continue to sharpen our competitive edge'

plant while Northvolt has fallen further behind Asian rivals on producing cells at scale.

Clerc acknowledged that Maersk could afford to be agnostic about Europe's approach as long as there was global economic growth. But he said that the Danish group — which transports one in five containers on the sea — wanted to see Europe succeed. It was presently "slowly losing out", however.

He said: "We would like to have Europe as a place where we continue to source talent, innovation, where we continue to sharpen our competitive edge, rather than to have to go and do it abroad and see Europe become a museum."

US President Joe Biden's Inflation Reduction Act offered \$370bn of subsidies for green technologies while experts say China has offered its industry even more. European companies complain that the EU has mostly introduced regulations and red tape rather than incentives.

He said that the EU had so far created "a lot of regulations" on the green transition but "not necessarily created the incentives" to build "champions".

Container shipping groups have put forward their own plan ahead of a crunch meeting of the International Maritime Organization this month to decarbonise their sector, which is responsible for about 3 per cent of global emissions.

"If accepted, it can put Europe in the game," Clerc said of the proposed mechanism.

Market Questions. Week ahead

Signs of slowing US jobs growth prompt concern

How resilient is the US consumer?

With the US Federal Reserve turning its focus more squarely to economic growth, investors are increasingly splitting their attention between inflation indicators and other measures of prosperity and mood.

This week brings both, with the monthly consumer confidence report tomorrow and the personal consumption index on Friday.

Optimism among consumers — whose activity accounts for about two-thirds of the US economy — has been a mainstay of economic growth since the pandemic.

But signs of slowing jobs growth, coupled with reports of rising loan delinquencies, is causing concern among some analysts.

A Reuters poll of economists predicted the Conference Board's monthly main index of consumer confidence for September will slip to 102.9 from 103.5, leaving it nearer the lower end of its 115-97 range this year.

However, wide variations are in the forecasts. Nomura's team forecast a rise to 104.5.

"Gasoline prices declined through the first half of September, and equities have performed well," the bank's economists said.

On Friday, investors will be awaiting the personal consumption expenditures price index, known as PCE and the Fed's preferred measure of inflation. Economists polled by Bloomberg predict a slight rise to 2.7 per cent year-on-year for August for the core measure. Last month's reading was steady at 2.6 per cent.

Recent readings on consumer spending — both retail sales and PCE — had shown continued growth, said analysts at Citigroup, writing after the central bank's rate cut on Wednesday, but warning that a drop in the savings rate could be storing up future trouble.

"[That suggests] consumers are still spending. But... it also suggests that consumers may be getting stretched," said the Citi team. Jennifer Hughes

Will Sterling keep climbing?

The pound hit its highest level against the dollar for two and a half years last week after the US Federal Reserve delivered a jumbo 0.5 percentage point rate cut while the Bank of England held interest rates at 5 per cent.

The UK currency touched \$1.3340, its highest level against the US currency since March 2022, and is up 1.4 per cent



Food for thought: optimism among consumers has been a mainstay of US economic growth, but a poll of economists has predicted that data due out this week will show it has slipped

David Paul Morris/Bloomberg

this month as stubborn services inflation and higher than expected retail sales growth make it harder for the BoE to lower rates quickly.

The latest leg higher brings sterling's gains against the dollar for the year to 4.6 per cent. On a trade-weighted basis, the pound is close to its strongest level since the Brexit vote in 2016.

However, some analysts think it could be hard for the pound to make further significant gains from here because the British economy has stagnated and markets already expect the BoE to lag behind rival central banks in lowering rates.

The BoE rate-setter Catherine Mann on Friday said monetary policy would have to remain restrictive for longer as she took a "guarded view" on interest rate cuts.

Currency analysts at BNP Paribas said: "A lot of the upside is in the price for the British pound, limiting the scope for material outperformance from here."

Traders in swaps markets predict the BoE will deliver a percentage point of

cuts by May next year, whereas for the Fed they expect a further percentage point of rate reductions by January.

Rufaro Chiseri, head of fixed income at RBC Wealth Management, said hawkishness from BoE rate-setters was pushing sterling higher but likely UK rate cuts meant the currency was "living on borrowed time". Mary McDougall and Rafe Uddin

Will the Swiss make a bumper cut to rates?

Investors are sharply divided over whether the Swiss central bank will follow the Fed and make a bumper cut to interest rates.

Swap markets are pricing in a 56 per cent probability that the Swiss National Bank will cut rates by just a quarter of a percentage point to 1 per cent when it announces its rate decision on Thursday.

Expectations of a larger, 0.5 percentage point cut have increased following the Fed's decision last week to cut rates by a half point to 4.75 per cent to 5 per cent. Investors started pricing in more

The British economy has stagnated and markets already expect the BoE to lag behind rival central banks in lowering rates

rate cuts by major central banks after US unemployment rose unexpectedly in July, though this was damped slightly in August with non-farm payroll data showing a rise in employment.

Meanwhile, the economic backdrop in Switzerland is "not particularly good", with inflation falling below expectations and resulting in a more uncertain path for the SNB, according to economists at UBS. Nevertheless, they argue it has not reached a level that warrants a more rapid cut in rates.

A cut on Thursday would constitute the central bank's third such move in recent months after it started reducing rates in March.

The SNB said a decrease in underlying inflationary pressure was one of the driving forces behind its quarter percentage point cut in June.

UBS economists said they believed the Swiss franc would appreciate if the SNB did not deliver a 0.5 percentage point cut, given the increased market expectations that the central bank would move more aggressively in lowering rates. Rafe Uddin

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UK COMPANIES

Financials

Bank of London cuts jobs in restructuring

Investors sought changes at fledgling lender after £42m fundraising round

AKILA QUINIO, ALISTAIR GRAY, CYNTHIA O'MURCHU AND EMMA DUNKLEY

The Bank of London will cut nearly 15 per cent of its workforce as part of a wider restructuring of the fledgling bank that received £42m from investors last month.

The bank, which counts US finance heavyweight Harvey Schwartz and Labour grandee Lord Peter Mandelson

on its parent's board, has told staff that about 20 of its employees, including at executive level, will lose their jobs, according to two people familiar with the cuts.

The redundancies would come as the bank faced pressure from investors to overhaul its operations after it closed its fundraising, said four people familiar with the situation.

A restructuring was discussed before investors committed to the fundraising, said three people close to the bank.

The financing was led by investor Mangrove Capital, whose founder, Mark Tluszc, is also a non-executive director

at the bank. He did not respond to request for comment.

The deal was announced shortly after the bank's parent company received a winding-up petition from tax authorities over unpaid debt, which came days after its founder Anthony Watson stepped down as chief executive.

The bank attributed the petition from HM Revenue & Customs to an "administrative error" and it has since been resolved. The bank said at the time that the fundraising was unrelated to the petition, which had been withdrawn.

The bank offers payment services and

franchises its technology to corporate clients to offer regulated own-branded banking services. In July, it called on investors for more money, saying it had an "immediate" need to raise millions of pounds of cash for regulatory capital, the Financial Times has reported.

A spokesperson for the bank said: "Following its successful fundraising and under new leadership, the Bank of London is focusing on its home market of the UK and aligning its resources to support its strategic objectives.

"As part of this process, the Bank has launched a consultation that may result in a small number of roles being

impacted, relative to the total number of staff across its three offices," the person said, adding the "decision has not been made lightly".

The company had about 150 employees before the restructuring, according to people familiar with the matter. The bank declined to confirm its total number of employees.

The departures, which will mainly affect UK-based staff, follow an initial round of job cuts in the US earlier this month, where the bank leases offices that sit largely empty in New York and North Carolina.

Additional reporting by Robert Smith

Financial services

Fidelity and Abrdn join trade body for investment platforms

EMMA DUNKLEY

Fidelity and Abrdn have joined a new trade association to steer the £800bn investment platform industry through increasing regulatory scrutiny and a UK government overhaul of the Isa market.

The Platforms Association aims to represent investment sites ranging from those that sell tax-free individual savings accounts and personal pensions directly to individuals, to companies that work with financial advisers.

The association, which is also backed by wealth manager Quilter and asset manager Aegon, will be led by Keith Phillips, formerly an executive director at large industry bodies including TheCityUK, the British Bankers' Association, and The Investment Association.

David Moffat, a senior director at technology company SS&C, will chair the board. Moffat said a trade body was needed partly because of "increasing" regulatory scrutiny on issues including the charges that platforms apply and communication with customers.

The Financial Conduct Authority wrote to chief executives of investment platforms this year to address concerns among which was that they were keeping interest earned on customers' cash deposits while also charging them a fee.

Investment sites such as Hargreaves Lansdown, AJ Bell and Interactive Investor sell directly to consumers, while others provide services to

'We are able to say here's the data, here's what customers are doing and here's the industry view'

financial advisers who then sell on to their clients. A new breed of digital-focused sites offering cryptocurrencies and other assets has also emerged over the past decade.

But the industry has suffered from the economic pressure facing consumers of late. According to consultancy firm The Lang Cat, platforms used by advisers reported the highest ever outflows of customers' money last year. The consultancy said this was due to rising living costs and concerns over preserving wealth in volatile markets.

The Platforms Association wanted to meet regularly with "senior decision makers" across the industry, Phillips said.

He added that "when important discussions are being led by the regulators and government on things such as financial advice, we are able to say here's the data, here's what customers are doing and here's the industry view and our suggestions regarding proposals".

Representatives of Aegon, Abrdn, Fidelity, Quilter and another member, Secl - a site owned by investment group Octopus - will sit on the association's board and leadership council.

Although platforms are already generally members of other bodies, such as the Investment Association, the new group aims to address issues specific to the industry and to co-ordinate responses to government and stakeholders. The group said membership would be open to UK and European regulated companies whose main business is the settlement, custody and safe keeping of retail investor assets.

Industrials. Insolvency

Harland & Wolff races to keep shipyards open

The clock is ticking in search for buyers for the Belfast company that built the Titanic

JUDE WEBBER — BELFAST SYLVIA PFEIFER, JIM PICKARD — LONDON SIMEON KERR — EDINBURGH

Five years since its last rescue and only months before work was to start on a Royal Navy contract that was supposed to secure its future, Harland & Wolff, the builder of the Titanic, is on the rocks again.

An ill-focused strategy and galloping costs pushed the insolvent parent company into administration last week, putting 1,200 jobs at four yards and one of the most illustrious names in British shipbuilding on the line.

The clock is now ticking in the race to find a buyer — or buyers — for the 163-year-old Belfast operation and yards in England and Scotland in an effort to keep vital defence contracting in the UK.

Trevor Taylor, director of the defence, industries and society programme at the think-tank Royal United Services Institute, said the choice of H&W for the Royal Navy contract "was always a giant risk given the minimal labour force and limited manufacturing infrastructure that they had in place".

An "effective rescue" of the four yards, he added, was needed to "maintain any credibility for the National Shipbuilding Strategy".

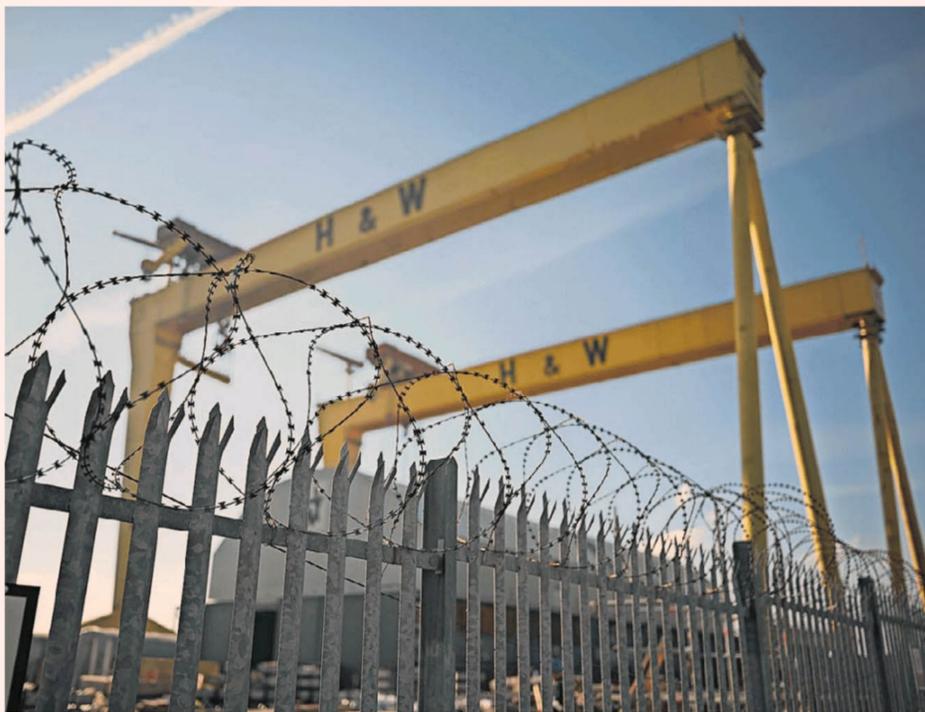
Despite the cash flow problems at the parent company, H&W had been expanding the historic Belfast shipyard and its apprentice scheme in readiness for a traditional steel-cutting ceremony early next year to mark the start of work on three Royal Navy ships — the first vessels to roll down its slipway in more than two decades.

The £1.6bn Fleet Solid Support (FSS) contract, secured in 2022 by a consortium led by Spain's Navantia — and involving final construction and assembly at H&W's Belfast yard — had appeared to be a lifeline for the ailing shipbuilder.

Belfast, dominated by H&W's yellow cranes, is receiving most of the £77m of FSS investment and is expanding its main fabrication hall.

A global giant in its early-20th-century heyday and once Northern Ireland's largest employer, the flagship Belfast yard looked set to emerge from decades of decline that had been exacerbated by stiff competition from cheaper Asian competitors and other, better-capitalised UK defence contractors.

But analysts say the firm, which was



Harland & Wolff had been expanding the historic Belfast shipyard and its apprentice scheme, which includes such youngsters as Ethan Baxter, 18, below, in readiness for a traditional steel-cutting ceremony early next year

Charles McQuillan/FT



rescued from administration in 2019 by energy infrastructure group InfraStrata, lost its way and ran out of cash.

"The costs built up at a much quicker rate than the revenue came in," said interim executive chair Russell Downs, an experienced restructuring expert.

Unaudited results, published in July, showed revenues more than tripled to £87m in 2023 from the year before, while operating losses more than halved to £24.7m. But interest costs rose 50 per cent to £18.4m.

H&W bought three more yards after its rescue by then chief executive John Wood — Appledore in Devon in south-west England, plus Scottish facilities at Methil in Fife and Arnish in the

Hebrides — and pivoted to a range of energy, renewables and cruise liner refurbishments, as well as non-core activities such as a Scilly Isles ferry.

A probe is now under way into allegations of "misallocation" of £25m and other spending for "little or no corporate benefit", underlining H&W's weak financial oversight. No one has been identified nor wrongdoing established.

Harland & Wolf is one more problem for the new Labour government as it battles industrial crises ranging from British Steel in Scunthorpe and Tata Steel in Wales, to the Grangemouth refinery in Scotland.

Its refusal to grant a key £200m loan guarantee in July, which could have enabled H&W to unlock cheaper funding, left its owner scrambling for finance. US lender Riverstone, which had already lent H&W \$115m, granted an emergency \$25m loan in August. Most of this has already been spent, according to people briefed on the situation.

The shipbuilder was by then "insolvent — and not a little bit insolvent, but a lot insolvent", Downs said. H&W's failure to clinch the government facility sealed its fate. "It went wrong because [H&W] got turned down and they had no fallback," he said.

Freddy Khalastchi, business recovery

'In some ways, we were lucky that the first big decision we were handed was such an obvious basket case'

partner at consultancy Menzies, said H&W had been hobbled by cash flow problems since 2019 — possibly in part because of the Covid-19 pandemic — and never turned a profit.

Downs announced last week he was appointing Teneo as administrator and hoped to sell the four yards together within weeks.

Only the Belfast yard, which employs some 600 people and has two of the biggest dry docks in Europe, and Appledore are involved in the FSS contract.

"Clearly the purchaser's main target will be the jewels in the crown [Belfast and Appledore] because of the income the FSS contract generates and also because of the future opportunities this could bring," said Khalastchi.

Buying H&W might make the most sense for Navantia, analysts say — fuelling trade union fears that shipbuilding and jobs could be lost to Spain.

The consortium led by the Spanish state firm clinched the FSS contract two years ago after beating an all-UK bid that included defence contractors BAE Systems and Babcock International. All three declined to comment.

Kate Forbes, Scotland's deputy first minister, has noted the "economic opportunities" for the Methil and Arnish yards and a global defence contractor has expressed interest in acquiring the Scottish business, according to one person briefed on the situation, declining to identify the company.

I&W's collapse is a blow to attempts by successive governments, most recently in 2022, to forge a national shipbuilding strategy.

But the Labour government has defended its decision on the loan guarantee, blaming its Conservative predecessor for dragging its feet.

"In some ways, we were lucky that the first big decision we were handed was such an obvious basket case," said one Labour figure. "There were plenty of red flags around it and it was a clear-cut decision not to go ahead with the loan guarantee."

Despite the uncertainty, some workers in Belfast said the mood was "nothing like 2019" when the company previously filed for insolvency. But unions who occupied the site for nine weeks that year before its £6m rescue were concerned their hard-fought victory will have been in vain.

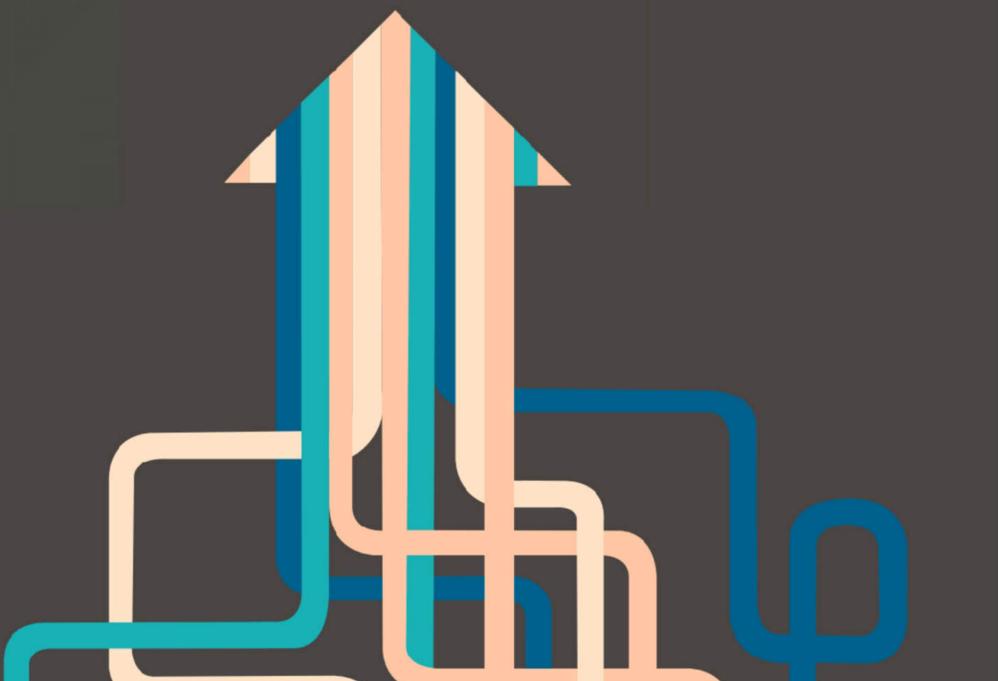
Susan Fitzgerald, Irish secretary of union Unite, which represents most of the workers in Belfast and Appledore, said: "We want to hear that our members' jobs and skills are safe for the next generation. We don't want someone coming in squandering that opportunity."

FT FINANCIAL TIMES

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MARKET DATA

WORLD MARKETS AT A GLANCE

Change during previous day's trading (%)



Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison



Table with columns: Country, Index, Latest, Previous. Lists various international stock indices and their current values and previous values.

STOCK MARKET: BIGGEST MOVERS

Table with columns: AMERICA, EURO MARKETS, TOKYO. Lists top-performing and underperforming stocks in different regions, including Nvidia, Shell, and Amazon.

CURRENCIES

Table with columns: DOLLAR, EURO, POUND. Shows currency exchange rates for various countries and currencies, including Argentina, Brazil, Canada, and others.

FTSE ACTUARIES SHARE INDICES

Table with columns: FTSE 100, FTSE 250, FTSE 350, FTSE All-Share, etc. Lists various FTSE share indices and their performance metrics.

FT 30 INDEX

Table with columns: FT 30 Index, FT 30 Div Yield, FT 30 Hourly changes. Shows FT 30 index performance and related metrics.

FT WILSHIRE 5000 INDEX SERIES

Table with columns: FT Wilshire 5000, FT Wilshire 2500, FT Wilshire Mega Cap, etc. Lists FT Wilshire index series and their performance.

FTSE SECTORS: LEADERS & LAGGARDS

Table with columns: Aerospace & Defense, Health Care, Industrials, etc. Lists FTSE sectors and their performance relative to the index.

FTSE 100 SUMMARY

Table with columns: FTSE 100, FTSE 250, FTSE 350, FTSE All-Share, etc. Summary of FTSE 100 performance and related indices.

UK STOCK MARKET TRADING DATA

Table with columns: Order Book (Buyer/Seller), Total Market Turnover, etc. Shows UK stock market trading data and turnover.

FTSE Sector Indices

Table with columns: Non-Financials (300), FTSE 100, FTSE 250, etc. Lists FTSE sector indices and their performance.

UK RIGHTS OFFERS

Table with columns: Issue, Amount, Latest, etc. Lists UK rights offers and their details.

UK COMPANY RESULTS

Table with columns: Company, Turnover, Pre-tax, EPS, etc. Lists UK company results and financial data.

UK RECENT EQUITY ISSUES

Table with columns: Issue, Issue price, Sector, etc. Lists UK recent equity issues and their details.

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MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Table with 10 columns: Stock, Price, % Change, 52 Week High, Low, P/E, MCap. Lists top 500 companies from Australia, Brazil, Canada, China, Denmark, France, Germany, Hong Kong, India, Japan, Korea, Mexico, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates, United Kingdom, USA, and Vietnam.

Table with 10 columns: Stock, Price, % Change, 52 Week High, Low, P/E, MCap. Continues the list of top 500 companies from Australia, Brazil, Canada, China, Denmark, France, Germany, Hong Kong, India, Japan, Korea, Mexico, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Arab Emirates, United Kingdom, USA, and Vietnam.

FT 500: TOP 20

Table with 10 columns: Stock, Price, % Change, 52 Week High, Low, P/E, MCap. Lists the top 20 companies in the FT 500 index.

FT 500: BOTTOM 20

Table with 10 columns: Stock, Price, % Change, 52 Week High, Low, P/E, MCap. Lists the bottom 20 companies in the FT 500 index.

BONDS: HIGH YIELD & EMERGING MARKET

Table with 10 columns: Issuer, Rating, Bid, Days, Maturity, Spread, Yield. Lists high yield and emerging market bonds.

INTEREST RATES: MARKET

Table with 10 columns: Instrument, Rate, % Change, 3 Months, 6 Months, 1 Year, 2 Year, 3 Year, 5 Year. Lists interest rates for various instruments.

INTEREST RATES: FTSE

Table with 10 columns: Instrument, Rate, % Change, 3 Months, 6 Months, 1 Year, 2 Year, 3 Year, 5 Year. Lists interest rates for FTSE instruments.

COMMODITIES

Table with 10 columns: Commodity, Price, % Change, 52 Week High, Low, P/E, MCap. Lists prices for various commodities like oil, gas, metals, and grains.

BOND INDICES

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists bond indices for various regions.

CREDIT INDICES

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists credit indices for various regions.

MARKET INDEXES

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists market indices for various regions.

BONDS: INDEX-LINKED

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists index-linked bonds.

BONDS: TEN YEAR GOVT SPREADS

Table with 10 columns: Country, Spread, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists ten-year government spreads.

BONDS: GLOBAL INVESTMENT GRADE

Table with 10 columns: Issuer, Rating, Bid, Days, Maturity, Spread, Yield. Lists investment grade bonds from various countries.

BONDS: BENCHMARK GOVERNMENT

Table with 10 columns: Issuer, Rating, Bid, Days, Maturity, Spread, Yield. Lists benchmark government bonds.

GLTS: UK FTSE ACTUARIES INDICES

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists UK FTSE actuaries indices.

GLTS: US CASH MARKET

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists US cash market indices.

GLTS: US CASH MARKET

Table with 10 columns: Index, Price, % Change, 1 Month, 3 Months, 6 Months, 1 Year, 3 Year, 5 Year. Lists US cash market indices.

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Main Market

Main Market table with columns for Sector, Price +/- Week, 52 Week High/Low/Yld, P/E, and Vol. Includes sub-sections for Aerospace & Defence, Automobiles & Parts, Banks, Chemicals, Construction & Materials, Electronic & Electrical Equip, Financial General, Health Care Equip & Services, Industrial Engineering, Media, Mining, Real Estate, Retailers, Support Services, Tech - Software & Services, Travel & Leisure, and Utilities.

AIM

AIM table with columns for Sector, Price +/- Week, 52 Week High/Low/Yld, P/E, and Vol. Includes sub-sections for Aerospace & Defence, Banks, Basic Resource (Ex Mining), Chemicals, Construction & Materials, Electronic & Electrical Equip, Financial General, Health Care Equip & Services, Industrial Engineering, Media, Mining, Retailers, Support Services, Tech - Software & Services, and Travel & Leisure.

Investment Companies

Investment Companies table with columns for Conventional (Ex Private Equity), Price +/- Week, 52 Week High/Low/Yld, NAV, and Dis%. Includes sub-sections for Conventional - Private Equity, Conventional - Property IICs, and Disruptive.

asset value estimate and closing price. Discounts, premiums, gross redemption yield (GRY), and hurdle rate (HR) to share price (SP) and HR to wipe up (WU) are displayed as a percentage. NAV and terminal asset value per share (TAV) in pence.

Morningstar logo and website information: www.morningstar.co.uk

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MANAGED FUNDS SERVICE

SUMMARY FT.COM/FUNDS

Winners - Europe ex-UK Equity					Losers - Europe ex-UK Equity					Morningstar Star Ratings					Global Broad Category Group - Property						
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
WIS Action Continental Europe Fund	16.59	13.65	-	0.84	12.71	WIS Action Continental Europe Fund	16.07	-11.36	4.84	-0.44	25.55	Index Emerging Markets F-Acc	Pound Sterling	***	***	***	Property - Direct Switzerland	Swiss Franc	0.21	2.60	3.61
WIS Action Continental Europe Fund	5.94	13.15	11.91	0.64	16.70	WIS Action Continental Europe Fund	5.21	-10.69	1.96	-0.50	20.10	Food International Trust (Gay)	US Dollar	***	***	***	Property - Direct Europe	Euro	2.98	0.96	1.23
WIS Action Continental Europe Fund	17.31	11.55	8.81	0.60	16.39	WIS Action Continental Europe Fund	13.49	-8.97	3.58	-0.33	20.83	CAM-GTF Limited	US Dollar	**	*	*	Property - Direct Other	US Dollar	1.31	-1.15	-2.27
WIS Action Continental Europe Fund	6.34	10.25	7.03	0.57	14.78	WIS Action Continental Europe Fund	11.40	-5.34	5.50	-0.16	23.70	Equinox Real Estate Opportunities Fund Limited	US Dollar	**	*	*	Property - Direct UK	Pound Sterling	0.72	-1.23	-0.71
WIS Action Continental Europe Fund	6.24	9.92	8.02	0.52	13.98	Schroder European Alpha Plus Fund	-1.42	-5.13	-0.76	-0.34	18.26	Mourment Growth 18/02/2020	Pound Sterling	*	*	*	Property - Direct Global	US Dollar	3.01	-2.86	-1.17

TROY
ASSET MANAGEMENT

Please remember that past performance is not necessarily a guide to future performance

Firm Name
Troy Asset Management Limited

Fund Name
Trojan Global Income 0 Acc

Morningstar Category
Global Equity Income

Max Annual Charge
-

3Yr Rating
**

Morningstar Sustainability Rating
★★★★

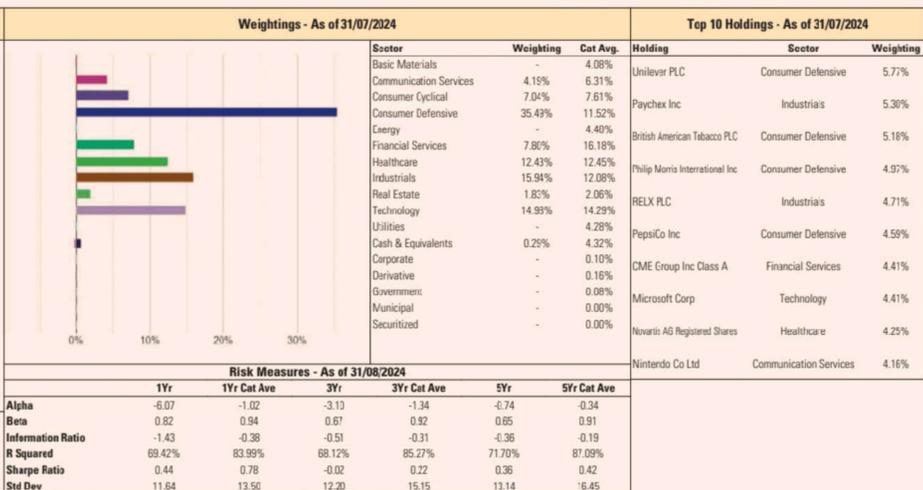
Bid Price
-

Offer Price
-

KIID Ongoing Charge
L.89

Day-End Day Return
£.49

Total Ret 3Yr
4.31



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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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Algebris
INVESTMENTS

BLUE WHALE
GROWTH FUND

GUINNESS
GLOBAL INVESTORS

Algebris Investments (IRL)

Algebris Core Italy I EUR	€ 156.78	-	2.18	0.00	7.07	-0.37
Algebris Core Italy R EUR	€ 146.85	-	2.04	0.00	6.27	-1.92
Algebris Financial Credit I EUR	€ 208.23	-	0.18	0.00	16.21	2.18
Algebris Financial Credit R EUR	€ 177.30	-	0.15	0.00	15.65	1.56
Algebris Financial Credit Rd EUR	€ 97.44	-	0.09	6.02	15.82	1.62
Algebris Financial Equity B EUR	€ 241.51	-	3.72	0.00	34.26	20.20
Algebris Financial Equity R EUR	€ 199.51	-	3.06	0.00	32.93	19.01
Algebris Financial Income I EUR	€ 233.32	-	1.90	-	23.31	9.35
Algebris Financial Income R EUR	€ 208.92	-	1.70	-	22.21	8.37
Algebris Financial Income Rd EUR	€ 117.05	-	0.96	-	22.21	8.37
Algebris Global Credit Opportunities I EUR	€ 148.25	-	0.43	0.00	12.06	4.45
Algebris Global Credit Opportunities R EUR	€ 143.66	-	0.42	0.00	11.58	3.95
Algebris Global Credit Opportunities Rd EUR	€ 116.92	-	0.34	4.71	11.74	4.03
Algebris IS Financial Credit I EUR	€ 112.99	-	0.18	0.00	14.00	1.16
Algebris IS Financial Credit R EUR	€ 110.25	-	0.18	0.00	13.45	-0.34
Algebris Sust. World B	€ 130.40	-	3.01	0.00	21.59	-
Algebris Sust. World R	€ 127.20	-	2.93	0.00	20.02	-

Blue Whale Investment Funds ICAV (IRE)

www.bluewhale.co.uk, info@bluewhale.co.uk

Brooks Macdonald International Investment Funds Limited

Blue Whale Growth USD T	€ 13.78	-	0.08	-	31.45	21.2
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Brooks Macdonald International Fund Managers Limited (JER)

Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4JF
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Brooks Macdonald International Investment Funds Limited

Euro High Income	€ 1,259.1	-	0.020	2.50	7.23	-3.31
High Income	€ 699.4	-	-0.002	3.77	10.37	-2.95
Storling Bond	€ 1,309.2	-	0.006	2.06	9.75	2.92

Brooks Macdonald International Multi Strategy Fund Limited

Cautious Balanced Strategy	€ 1,332.2	-	0.0015	0.00	8.17	-0.86
Cautious Balanced Strategy A	€ 952.4	-	0.0010	1.86	8.73	-0.36
Balanced Strategy	€ 1,015.5	-	0.0034	0.85	10.38	1.17
Balanced Strategy A	€ 1,015.7	-	0.0034	1.32	10.33	1.86
Growth Strategy	€ 2,203.6	-	0.0105	0.00	11.88	1.32
Growth Strategy A	€ 1,052.4	-	0.0050	0.89	12.45	1.83
High Growth Strategy	€ 3,112.8	-	0.0711	0.00	11.91	1.12
High Growth Strategy A	€ 1,068.8	-	0.0059	0.65	12.47	1.63
USG Growth Strategy	\$ 2,135.7	-	0.0255	0.00	18.60	-0.67

Dealing Day. Initial Charge Nil for A classes and up to 2% for other classes

Dragon Capital

www.dragoncapital.com
Fund information: info@dragoncapital.com

Other International Funds

Dragon Capital Vietnam Equity (LQTS) Fund A USD	\$ 33.46	-	0.20	0.00	11.68	-0.01
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EdenTree Investment Management Ltd (UK)

01223 322000
www.edentree.com

EdenTree International Funds

EdenTree European Equity A Inc	€ 370.80	-	-0.70	2.40	13.61	9.24
EdenTree European Equity B Inc	€ 374.60	-	-0.70	2.89	14.20	9.84
EdenTree Global Equity C A Inc	€ 372.10	-	4.10	1.19	10.76	1.01
EdenTree Global Equity C B Inc	€ 375.30	-	4.10	1.61	11.31	1.54
EdenTree Global Impact Bond	€ 90.11	-	-0.04	2.94	10.23	-
EdenTree Green Future 2B Inc	€ 0.84	-	-0.01	6.41	2.64	-
EdenTree Managed Income D A Inc	€ 128.30	-	-0.20	4.37	12.49	4.12
EdenTree Managed Income D B Inc	€ 137.70	-	-0.20	4.49	12.72	4.58
EdenTree Multi-Asset Balanced D A Inc	€ 1.01	-	0.00	2.13	11.61	-0.95
EdenTree Multi-Asset Balanced D B Inc	€ 1.01	-	0.00	2.10	10.78	-0.52
EdenTree Multi-Asset Growth D A Inc	€ 1.04	-	0.01	1.85	12.63	-0.03
EdenTree Multi-Asset Growth D B Inc	€ 96.73	-	-0.09	3.09	6.08	0.06
EdenTree Sterling Bond C A Inc	€ 88.76	-	-0.19	4.33	11.33	-1.75
EdenTree Sterling Bond C B Inc	€ 101.30	-	-0.20	4.32	12.07	-1.13
EdenTree UK Equity C A Inc	€ 226.50	-	-2.10	1.93	7.30	-4.03
EdenTree UK Equity C B Inc	€ 225.60	-	-2.10	2.50	7.88	-3.61
EdenTree UK Equity Opps D A Inc	€ 301.70	-	-1.80	-	11.16	-4.51
EdenTree UK Equity Opps D B Inc	€ 307.90	-	-2.00	2.00	12.23	-4.09

Artemis Investments (IRE)

Algebris Core Italy I EUR	€ 156.78	-	2.18	0.00	7.07	-0.37
Algebris Core Italy R EUR	€ 146.85	-	2.04	0.00	6.27	-1.92
Algebris Financial Credit I EUR	€ 208.23	-	0.18	0.00	16.21	2.18
Algebris Financial Credit R EUR	€ 177.30	-	0.15	0.00	15.65	1.56
Algebris Financial Credit Rd EUR	€ 97.44	-	0.09	6.02	15.82	1.62
Algebris Financial Equity B EUR	€ 241.51	-	3.72	0.00	34.26	20.20
Algebris Financial Equity R EUR	€ 199.51	-	3.06	0.00	32.93	19.01
Algebris Financial Income I EUR	€ 233.32	-	1.90	-	23.31	9.35
Algebris Financial Income R EUR	€ 208.92	-	1.70	-	22.21	8.37
Algebris Financial Income Rd EUR	€ 117.05	-	0.96	-	22.21	8.37
Algebris Global Credit Opportunities I EUR	€ 148.25	-	0.43	0.00	12.06	4.45
Algebris Global Credit Opportunities R EUR	€ 143.66	-	0.42	0.00	11.58	3.95
Algebris Global Credit Opportunities Rd EUR	€ 116.92	-	0.34	4.71	11.74	4.03
Algebris IS Financial Credit I EUR	€ 112.99	-	0.18	0.00	14.00	1.16
Algebris IS Financial Credit R EUR	€ 110.25	-	0.18	0.00	13.45	-0.34
Algebris Sust. World B	€ 130.40	-	3.01	0.00	21.59	-
Algebris Sust. World R	€ 127.20	-	2.93	0.00	20.02	-

Brooks Macdonald International Fund Managers Limited (JER)

Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4JF
+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

Brooks Macdonald International Investment Funds Limited

Euro High Income	€ 1,259.1	-	0.020	2.50	7.23	-3.31
High Income	€ 699.4	-	-0.002	3.77	10.37	-2.95
Storling Bond	€ 1,309.2	-	0.006	2.06	9.75	2.92

Brooks Macdonald International Multi Strategy Fund Limited

Cautious Balanced Strategy	€ 1,332.2	-	0.0015	0.00	8.17	-0.86
Cautious Balanced Strategy A	€ 952.4	-	0.0010	1.86	8.73	-0.36
Balanced Strategy	€ 1,015.5	-	0.0034	0.85	10.38	1.17
Balanced Strategy A	€ 1,015.7	-	0.0034	1.32	10.33	1.86
Growth Strategy	€ 2,203.6	-	0.0105	0.00	11.88	1.32
Growth Strategy A	€ 1,052.4	-	0.0050	0.89	12.45	1.83
High Growth Strategy	€ 3,112.8	-	0.0711	0.00	11.91	1.12
High Growth Strategy A	€ 1,068.8	-	0.0059	0.65	12.47	1.63
USG Growth Strategy	\$ 2,135.7	-	0.0255	0.00	18.60	-0.67

Dealing Day. Initial Charge Nil for A classes and up to 2% for other classes

Dragon Capital
www.dragoncapital.com
Fund information: info@dragoncapital.com

Other International Funds

Dragon Capital Vietnam Equity (LQTS) Fund A USD	\$ 33.46	-	0.20	0.00	11.68	-0.01
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Artemis Fund Managers Ltd (1200F) (UK)

57 St. James's Street, London SW1A 1LL 0800 052 2051

Authorized Inv Funds

Artemis Corporate Bond I Acc	€ 2891.75	-	-8.45	3.14	18.93	12.14
Artemis European Select I Acc	€ 110.43	-	-0.22	5.03	11.91	-1.42
Artemis Global Income I Acc	€ 568.68	-	-1.03	2.64	18.20	12.39
Artemis Global Select I Acc	€ 155.77	-	-0.54	1.67	17.77	4.48
Artemis High Income I Q Inc	€ 196.25	-	1.04	-	11.37	5.43
Artemis Income I Acc	€ 447.43	-	-0.05	2.45	12.59	6.96
Artemis Monthly Dist I Inc	€ 134.48	-	0.19	3.43	23.22	12.32
Artemis Positive Future Bond	€ 189.33	-	-0.17	0.55	12.02	2.88
Artemis Short-Din Strate Fund	€ 120.97	-	0.01	4.60	10.93	3.24
Artemis SmartGARP Euro Eq I Acc	€ 74.29	-	0.00	5.89	15.27	3.16
Artemis SmartGARP Glob Eq I Acc	€ 288.68	-	-1.92	3.43	18.40	9.83
Artemis SmartGARP Glo Eq I Acc	€ 78.18	-	-0.03	4.46	17.91	6.14
Artemis SmartGARP Int Eq I Acc	€ 64.01	-	-0.04	0.00	13.28	-1.25
Artemis Strategic Assets I Acc	€ 101.89	-	-0.04	1.61	2.60	5.97
Artemis Strategic Bond I Q Acc	€ 155.77	-	-0.06	4.46	13.75	0.71
Artemis UK Select Fund Class I Acc	€ 1029.17	-	-4.65	2.13	24.57	9.49
Artemis UK Select Fund Class II Acc	€ 247.45	-	-0.33	2.07	22.34	2.69
Artemis UK Special Sits I Acc	€ 930.11	-	-9.00	2.03	15.45	5.24
Artemis US Extended Alpha I Acc	€ 402.17</					

MANAGED FUNDS SERVICE

Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
LGT Wealth Management (CI) Limited (JER)														Trojan Ethical Income D Acc	156.58	-	-1.19	-	10.98	3.05
FCI, The Lapland, St Helier, Jersey, JE1 4DP														Trojan Ethical Income D Inc	124.21	-	-0.94	2.63	10.99	3.05
FSA Recognised														Trojan Fund C Acc	410.57	-	0.07	1.00	6.29	2.23
Valere Offshore Strategy Fund Limited														Trojan Fund C Inc	328.01	-	0.06	1.61	6.29	2.23
Bridge Fund	£7.3884	-	0.0067	2.34	11.71	1.79								Trojan Global Equity D Acc	605.95	-	-0.80	0.21	14.97	5.65
Global Equity Fund	£3.8454	-	0.0295	1.28	14.55	4.12								Trojan Global Equity D Inc	438.82	-	-0.66	0.21	14.97	5.65
Global Fixed Interest Fund	£0.7799	-	0.0094	4.58	11.62	2.04								Trojan Global Income D Acc	186.23	-	-1.25	3.64	6.43	5.25
Income Fund	£0.6858	-	0.0012	2.94	12.79	3.12								Trojan Global Income D Inc	191.49	-	-0.99	3.10	6.43	5.25
Sterling Fixed Interest Fund	£0.7008	-	-0.0010	4.67	10.25	-4.25								Trojan Income D Acc	379.74	-	-3.24	2.62	9.55	2.14
UK Equity Fund	£1.8883	-	-0.076	3.45	4.39	-3.49								Trojan Income D Inc	177.10	-	-1.52	2.89	9.54	2.13

LGT Wealth Management (CI) Limited (JER)
 FCI, The Lapland, St Helier, Jersey, JE1 4DP
 FSA Recognised

Valere Offshore Strategy Fund Limited

Bridge Fund	£7.3884	-	0.0067	2.34	11.71	1.79
Global Equity Fund	£3.8454	-	0.0295	1.28	14.55	4.12
Global Fixed Interest Fund	£0.7799	-	0.0094	4.58	11.62	2.04
Income Fund	£0.6858	-	0.0012	2.94	12.79	3.12
Sterling Fixed Interest Fund	£0.7008	-	-0.0010	4.67	10.25	-4.25
UK Equity Fund	£1.8883	-	-0.076	3.45	4.39	-3.49



Dasis Crescent Global Investment Funds (UK) ICVC (UK)
 Regulated

Dasis Crescent Global Equity Fund (USD A) Inc	£ 39.87	-	0.20	0.76	11.28	1.58
Dasis Crescent Global Income Fund (USD A) Inc	£ 10.31	-	0.01	3.72	7.92	0.70
Dasis Crescent Global Multi-Asset Fund (USD A) Inc	£ 13.54	-	0.05	1.47	13.95	1.20
Dasis Crescent Global Multi-Asset Fund (USD A) Inc	£ 15.15	-	0.07	1.04	12.84	1.33
Dasis Crescent Global Property Fund (USD A) Inc	£ 9.98	-	0.03	-	31.83	2.84
Dasis Crescent Global Short-Term Income Fund (USD A) Inc	£ 9.95	-	0.00	3.63	5.46	1.44
Dasis Crescent Variable Fund (GBP A) Inc	£ 10.37	-	0.05	0.70	9.97	1.85

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

Authorised Corporate Director - Waystone Management (UK) Limited

WS Ruffer Diversified Rtm C Acc	102.30	-	-0.30	1.14	2.95	1.03
WS Ruffer Diversified Rtm C Inc	98.62	-	-0.28	1.16	2.29	0.85
WS Ruffer Equity & General C Acc	634.98	-	-0.34	1.21	11.13	3.64
WS Ruffer Equity & General C Inc	556.58	-	-0.69	1.25	9.28	3.06
WS Ruffer Gold C Acc	339.58	-	22.05	0.30	46.30	11.16
WS Ruffer Gold C Inc	203.56	-	12.19	0.31	45.51	10.96
WS Ruffer Total Return C Acc	549.00	-	-0.09	1.95	3.69	0.47
WS Ruffer Total Return C Inc	327.61	-	-3.61	2.00	1.50	0.12

M & G Securities (1200)F (UK)
 PO Box 9038, Chelmsford, CM99 2XF
 www.mandg.co.uk/charities/Enq/Dealing: 0800 917 4472

Authorised Inv Funds

Charifund Inc	1536.71	-	-11.01	5.67	17.40	5.13
Charifund Acc	33177.25	-	-239.38	5.04	12.38	5.12
M&G Databank Data Services Fund (Databank) Inc	£ 1.11	-	0.00	4.18	8.11	-2.27
M&G Databank Data Services Fund (Databank) Inc	£ 42.32	-	-0.04	3.81	8.11	-2.27
M&G Charity Multi Asset Fund Inc	£ 0.95	-	0.00	4.22	12.72	5.28
M&G Charity Multi Asset Fund Acc	£ 171.85	-	-0.53	3.57	12.71	5.28

Omnia Fund Ltd
 Other International Funds

Estimated NAV	\$193.28	-	0.00	0.00	15.51	17.94
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Marwyn Asset Management Limited (CYM)
 Regulated

Marwyn Value Investors	£ 329.72	-	-6.14	0.00	-	-7.17
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McInroy & Wood Portfolios

Platinum Capital Management Ltd
 Other International Funds

Platinum All Star Fund - A	\$ 189.09	-	-	-	10.71	-
Platinum Global Growth LICITS Fund	£ 10.34	-	0.18	0.00	19.95	-11.00
Platinum Growth Reserves (QF) Fund (USD) Dist	£ 3.42	-	-0.70	0.00	-19.83	13.34
Platinum Global Dividend LICITS Fund	£ 49.60	-	0.76	0.00	7.03	-5.88

SICO BSC (c) (BHR)
 +973 17519031
 www.sicobank.com

Khalifa Equity Fund	£ 636.30	-	1.25	0.00	4.25	6.67
SICO Kingdom Equity Fund	£ 39.22	-	-0.05	0.00	9.39	7.52
SICO Gulf Equity Fund	£ 168.97	-	-0.22	0.00	3.58	6.84

STONEHAGE FLEMING
 GLOBAL BEST IDEAS EQUITY FUND

Private Fund Mgrs (Guernsey) Ltd (GSY)
 Regulated

Monument Growth 17/09/2024	£ 579.45	585.15	6.83	-	9.02	1.94
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Stonehage Fleming Investment Management Ltd (IRL)
 www.stonehagefleming.com/gibe
 enquiries@stonehagefleming.com

Regulated

SF Global Best Ideas Eq B USD ACC	£ 277.89	-	2.95	-	13.02	-0.92
SF Global Best Ideas Eq D GBP INC	£ 318.15	-	2.42	-	5.77	0.30

Prusik Investment Management LLP (IRL)
 Enquiries - 0207 493 1331

Regulated

Prusik Asian Equity Income B Dist	£ 180.34	-	1.04	5.49	9.82	6.16
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SUPERFUND INVEST BETTER

Purisma Investment Fds (UK) (1200)F (UK)
 3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL
 Order Desk and Enquiries: 0345 522 0044

Authorised Inv Funds

Authorised Corporate Director - Waystone Management (UK) Limited

Global Total Fd PCG A	524.05	-	3.74	0.26	23.95	9.01
Global Total Fd PCG B	516.35	-	3.67	0.07	23.63	8.74
Global Total Fd PCG INT	504.96	-	3.59	0.00	23.33	8.47

Superfund Asset Management GmbH
 www.superfund.com, +43 (1) 247 00

Other International Funds

Other International Funds

Superfund Green Gold	€ 1056.34	-	-1.41	0.00	13.36	-10.37
Superfund Green Silver	€ 877.66	-	-11.72	0.00	9.62	-12.65

Regulated

Superfund Green US\$	€ 645.25	-	-2.43	0.00	-8.62	-17.61
Superfund Black Blockchain EUR	€ 16.31	-	-0.25	0.00	54.60	-
Superfund Gold Silver & Mining EUR	€ 11.88	-	-0.17	-	17.66	-

Milltrust International Managed Investments ICAVI (IRL)
 info@milltrust.com, +44(0)20 8123 8316 www.milltrust.com

Regulated

Milltrust Global Emerging Markets East - Class A	£ 87.51	-	-0.13	0.00	-5.76	-10.80
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Milltrust International Managed Investments SPC
 em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com

Regulated

Milltrust Alaska Brazil Fund SP A	\$ 84.27	-	-0.46	0.00	-17.08	4.34
Milltrust Laurium Africa Fund SP A	\$ 112.29	-	1.57	0.00	21.74	3.98
Milltrust Marcellus India Fund SP	\$ 165.58	-	-1.95	0.00	21.94	3.29
Milltrust Singar ASEAN Fund SP Issuers	\$ 156.42	-	3.78	0.00	23.93	-3.33
Milltrust SPARK Korea Equity Fund SP A	\$ 126.46	-	0.26	0.00	6.34	-8.66
Milltrust Kingtai China Fund SP A	\$ 74.42	-	1.89	0.00	-20.00	-20.45
The Climate Impact Asia Fund SP A	\$ 69.82	-	1.81	0.00	-7.16	-12.69

Ministry of Justice Common Investment Funds (UK)
 Property & Other UK Unit Trusts

The Equity Index Tracker FI Inc	2121.00	-	2.90	2.27	13.23	5.65
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Distribution Units



MIRABAUD ASSET MANAGEMENT

Ram Active Investments SA

Other International Funds

RAM Systematic Emerg Markets Eq	€ 282.25	282.25	2.92	-	15.85	2.26
RAM Systematic European Eq	€ 624.06	624.06	6.49	-	19.63	2.30
RAM Systematic Global Sustainable Income Eq	€ 189.95	189.95	1.24	0.00	24.23	6.59
RAM Systematic Long/Short European Eq	€ 173.35	173.35	-0.08	-	16.12	5.00

Thesis Unit Trust Management Limited (UK)
 Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP

Authorised Funds

TM New Court Fund A 2011 Inc	£ 21.22	-	0.06	0.55	10.12	1.83
TM New Court Fund - A 2014 Acc	£ 21.53	-	0.08	0.57	10.13	1.83
TM New Court Equity Growth Fund - Inc	£ 23.64	-	0.08	0.18	11.25	1.78

Tessafund Asset Management LLP
 www.tessafund.com

Tosca Mid Cap GBP	£ 117.80	-	-0.64	0.00	-29.93	-21.59
Tosca Opportunity E USD	\$ 252.81	-	-15.03	0.00	-29.95	-19.98
Pegasus Fund Ltd A-1 GBP	£ 27.03	-	-0.23	0.00	-32.66	-22.42

TROY ASSET MANAGEMENT

Royal London (UK)
 30 Fenchurch Street, London EC3M 4BY

Authorised Inv Funds

Royal London Sustainable Diversified A Inc	£ 2.64	-	0.00	1.30	13.13	0.91
Royal London Sustainable World A Inc	£ 410.50	-	0.00	0.68	15.50	2.88
Royal London Corporate Bond Mth Income	£ 79.09	-	0.13	-	11.73	1.80
Royal London European Growth Trust	£ 229.20	-	-1.90	1.70	10.82	5.12
Royal London Sustainable Leaders A Inc	£ 861.80	-	-5.40	-	13.94	4.89
Royal London UK Growth Trust	£ 694.90	-	-5.10	-	13.75	3.75
Royal London UK Income With Growth Trust	£ 222.00	-	-1.80	4.54	13.63	6.89
Royal London US Growth Trust	£ 503.60	-	-1.80	-	20.50	12.45

Additional Funds Available
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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 D Acc	111.60	-	-0.72	2.52	6.37	-
Trojan Ethical Global Inc D Inc	103.96	-	-0.68	2.56	6.36	-
Trojan Ethical D Acc	138.17	-	0.14	1.21	7.57	2.84
Trojan Ethical D Inc	137.82	-	0.13	1.42	7.56	2.91

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Guide to pricing of Authorised Investment Funds: (compiled with the assistance of the IMA, The Investment Association, Camomile Court 23 Camomile Street, London EC3A 7LL. Tel: +44 (0)20 7831 0898.)

OEIC: Open-Ended Investment Company. Similar to a unit trust but using a company rather than a trust structure. Different share classes are issued to reflect a different currency, charging structure or type of holder.

Selling price: Also called bid price. The price at which units in a unit trust are sold by investors.

Buying price: Also called offer price. The price at which units in a unit trust are bought by investors. Includes manager's initial charge.

Single price: Based on a mid-market valuation of the underlying investments. The buying and selling price for shares of an OEIC and units of a single priced unit trust are the same.

Treatment of manager

WORK & CAREERS

It's hard to wear your principles if someone else paid for the suit



Rutherford Hall
Critical Comms

Messages from the archive of Rutherford Hall, critical communications strategist

WhatsApp to Alex@bigenergy: Hi Alex, was great to chat. Just one thought. I wonder if you ought to put the new executive dining room on hold when you are about to cut a lot of staff. It's the kind of thing that really whacks morale when times are tight. Better to be seen eating in the staff canteen for a bit.

WhatsApp to Jane@No10: Hi Jane, just wanted to run something by you. I've got a client who produces v stylish high-end leisurewear. He was reading about how Lord Alli gave the prime minister some suits and wondered if Keir might like something more casual so he can celebrate the best of British clothing when he's relaxing too?

WhatsApp to Jane@No10: OK. Suit yourself. Or actually maybe don't (too soon?). I understand the current sensitivities. Shame though, a PM ought to be able to highlight the best of British produce and their wives the best of Italian fashion. Never look a clothes horse in the mouth, I say. On that basis I'll also say no to the guy offering a new conservatory for Chequers and the electronics magnate

who wondered if he needed a really expensive set of the best noise-cancelling headphones on the market. **WhatsApp to Jane@No10:** Alright. No need to get shirty (oops I did it again). It's just that I have a few clients who appreciate the lack of financial and administrative support for PMs and want to help.

WhatsApp to Jane@No10: Would I call them Labour supporters? I'd say they were currently Labour supporters. They are not overly political though I'm sure they'd welcome the chance to chat with him down the line. But mainly they just want to see our PM not having to think about the little stuff, like clothes, glasses, Arsenal tickets and how he's going to get to pop concerts.

WhatsApp to Jane@No10: You guys want my comms advice on this? Well as someone who served in Downing Street back in the day my first thought is, stop taking freebies. You made too much of this in opposition. You set him up as Mr Integrity. If you are going to wear a hair shirt, you need to make sure you've bought it yourself. You should pay for the principles you wear. And his conduct needs to fit the political times, which are tough. On what to do now. You are going to

have to take the hit but try not to put any more fuel on the fire. Let's starve the media of new lines. The big thing here is you are misreading the row. It is not a dodgy donations story so the fact you largely obeyed the rules is a side point. This is a snouts in the trough, living the high life story and it really doesn't fit with his preferred image or the political climate.

It's a love of money – £16k – for work clothes. I'm not saying he has to buy the cheapest suit at M&S (though using M&S never hurts). But you can get a suit in Moss Bros for £300. Hawes & Curtis on Jermyn St have a charcoal twill number for less than £350. Some might see the £16k figure and conclude he's not exactly a man of the people. Remember people are tightening the belts they had to buy for themselves.

WhatsApp to Jane@No10: No, don't pay it back and don't apologise. Apologies just confirm opponents' already held opinions. And he's broken no rules. Your line is the PM gets invited to things and he is being scrupulous about declaring them. No need to freeze out Lord Alli but background him and make sure anything that comes through him meets due process. **WhatsApp to Jane@No10:** You might

If you are going to put on a hair shirt, you need to make sure you've bought it yourself

also want to thoroughly check all early behaviour by ministers before you bring forward the promised new ethical standards regime. You are setting yourself up for trouble on this.

Leadership lessons from the Starmer's.

Keir Starmer's clothes row offers a lesson for all leaders. It doesn't look like he's broken any rules but it's not a good look.

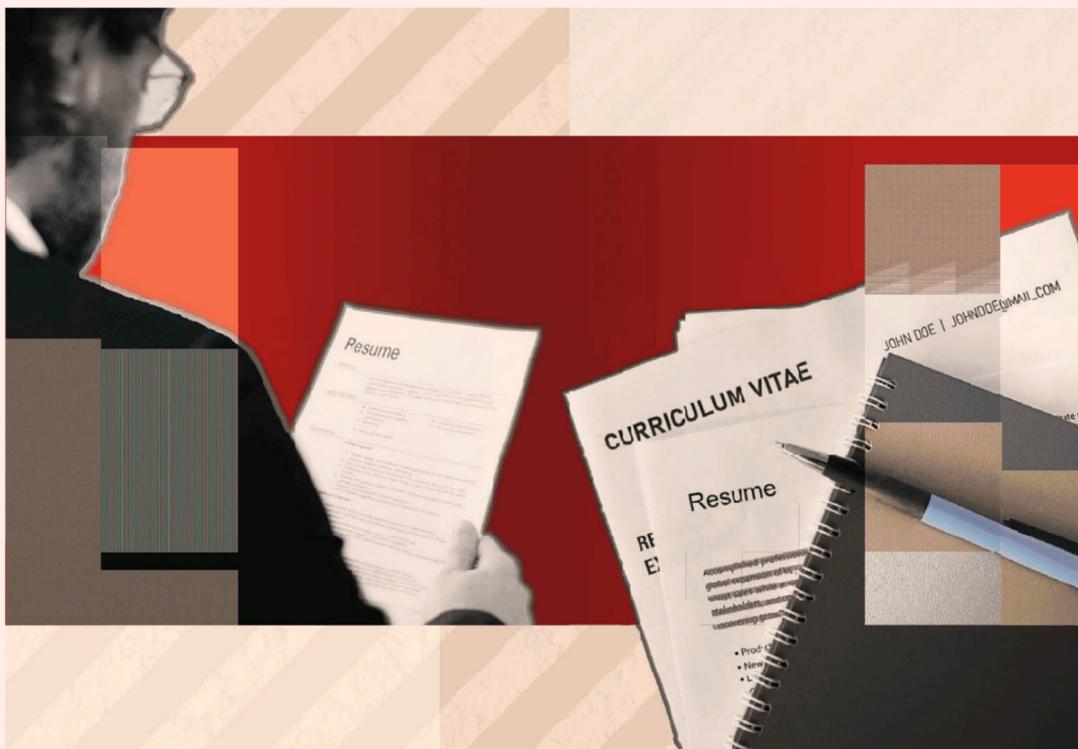
Tony Blair could do Cool Britannia because the country felt optimistic. But Starmer is cutting pensioner benefits, searching for savings and raising taxes. He needs to match the mood of the country. It's part of a leader's message discipline. Same for business leaders. Don't do up your office with expensive furniture if you are cutting jobs. Don't post Insta pics of yourself on the slopes at Klosters when you've announced a travel ban or put up the price of milk. Good leaders have to live in the moment they are in.

WhatsApp to Jane@No10: Don't worry, if you are careful from now I'm sure the clamour will die down. But if you change your mind on the noise-cancelling headphones . . .

Messages recovered by Robert Shrimley

Recruitment

Has finding a job become harder than ever?



Candidates report endless interviews and few responses but employers are also struggling to fill roles, writes Bethan Staton

Dominic Joyce had applied for more than 100 jobs by the time he reached the final round for a maternity cover HR position this summer. After two online interviews, he attended an assessment day that involved meeting senior bosses at the tech company where he hoped to work.

So when Joyce received a short rejection email, he was particularly disappointed. He seemed no closer to finding a job than when he was made redundant in March. Worse, the company provided no constructive feedback. Half the 156 jobs he has applied for gave no response at all. "There's been times when it's a Friday and I've had three rejections in one day," he says. To make ends meet, Joyce has worked as an Amazon driver and sold a family heirloom. "I'm not in a great place. You put on a smiley face [but] the process is rotten."

Because Joyce's background is in recruitment – a canary-in-the-coal-mine sector for hiring slowdowns – he knows he is not an outlier. After a surge in vacancies during the pandemic, hiring is stalling across professional sectors from finance to tech to administration, leaving white-collar workers facing much stiffer competition than some have become used to in recent years.

At the end of 2021, there were 60 per cent more vacancies in the US and UK than before the pandemic. Now openings are only 12 per cent above pre-pandemic levels in the US and 8 per cent below in the UK. Candidates report applying for hundreds of jobs and receiving only rejections, if any response at all. "Everyone I've spoken to, young and old, it seems worse than the financial crash," says Joyce.

This might come as a surprise to some job hunters. Since the pandemic led large numbers to leave the workforce, labour markets have been relatively tight, according to recruiter Indeed. It estimates there were 1.6 unemployed people per vacancy in the UK in August, above the low point of one in 2022 but down from the average 2.9 of the past two decades. Unemployment is also relatively low in Europe and the US but a slowdown in hiring in recent months, combined with a mismatch between skills employers want and those workers have, mean many candidates are struggling to find the right role.

Kory Kantenga, head of economics for the Americas at LinkedIn, the networking site, says interest rate increases over the past two years have curbed employers' ability to invest in hiring. Fewer new openings mean fewer people leaving jobs, reducing opportunities further.

"The labour market has become more congested, for each job there are more people applying. Employers can be more picky," Kantenga adds. LinkedIn

A lack of feedback from employers has prompted some applicants to adopt a 'spray and pray' approach to sending out CVs. Below: Job hunter Dominic Joyce says the market feels 'worse than the financial crash' — H montage/Dreamstime; Arna Gordon/FT

measures "jobseeker intensity" – the number of applications made per person on its site – and says this has increased by more than 8 per cent in France and Germany and 4 per cent in the US in the past year. "People [are] having to work harder to get a job."

At first glance, this is good news for employers. Data from consultancy Recruitonomics shows UK employers could expect to spend £12 to elicit one job application in late 2023 – on costs such as advertising – compared with more than £20 in 2022.

But the picture is more complex. "We've seen a really rapid shift in employer sentiment. Two years ago, their biggest complaint was volume, or lack of," Andrew Flowers, director at Recruitonomics, says. Now many say they are overwhelmed with applications – but still struggling to find quality candidates among the deluge.

Artificial intelligence is part of the problem. A survey by content creation platform Canva found about 45 per cent of global job hunters were using AI to build or improve CVs. That can make life harder for recruiters as it increases the volume of applications and makes it tougher to spot the best candidates.

Bonnie Dilber, lead recruiter at work-

place platform Zapier, says employers are receiving so many applications that considering all of them is impossible.

"We have no reason to look at anyone who's not top notch – other applications aren't even being considered." This risks a vicious cycle. Candidates met with silence fire off more applications, sacrificing quality for volume in what industry professionals call a "spray and pray" approach. At the same time, recruitment departments are being cut as companies scale back hiring, resulting in fewer people handling more appli-

'Everyone seems to be waiting for something. It's the most unusual market I've worked in'

cations. "Basics are getting lost" because recruiters do not have time," says Jane Curran, head of talent acquisition at real estate company JLL. "We all want to be doing a better job."

Applications per person on LinkedIn rank the highest in tech, media, professional and financial services, and lowest in health. "There's dichotomy between what I call standing-up jobs

and sitting-down jobs," says Flowers. In areas such as trades or hospitality, workers are finding it easier to get hired. In graduate, white-collar jobs, a hiring boom post-Covid "reversed very fast".

At senior levels, variations are not as marked because jobs are less frequently advertised. However, competition is still fierce and success requires networking. "We advertise zero per cent of the jobs we work on," Lewis Maleh, founder of executive recruiter Bentley Lewis, says. "There's fewer jobs . . . so you have to access the hidden job market."

Marketing professional Sarah, who requested anonymity as she is in the final stages of an application, left her previous role after suffering from burn-out last year and her employer told her she would have a job, or freelance work, on her return. However, when she got back in touch in early spring, the offer had gone. She has applied for about 100 jobs but only received a reply from half, and most of those were automated. She has reached interview stage five times. "It is so demoralising" she says. "When you get a no, it's crushing."

Jose Hervas, who works in sport marketing, says he is "tired of interviews". "I've done more than 30 since February, and my confidence levels are going lower and lower." Even after the final stage of an interview process, he sometimes receives no feedback.

Data from recruiter The Stepstone Group shows the average time to hire rose slightly to 4.9 weeks in the second quarter of 2024. "Everyone seems to be waiting for something," says Pam Lindsay-Dunn, at recruiter Hays. "It's the most unusual market I've worked in."

Frustrated jobseekers should not despair, however. Kantenga says the situation should improve as monetary policy eases, putting "a bit more momentum into the labour market". And this week, Joyce finally landed a role as a senior talent manager. "I can't wait to get started," he wrote on LinkedIn.

Business books

Tips on securing 'status' for women, personal efficiency and the growth of femtech

This month's recommended titles from FT journalists

'Likeable Badass,' by Alison Fragale



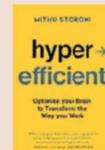
So many books aimed at "empowering" women at work cover the same lame ground. We should lean in or out, speak up, and either be more or less willing to tolerate bad behaviour.

Alison Fragale is doing something different. A "likeable badass" is a woman who has the right blend of assertiveness and warmth. Fragale focuses on practical ways to help readers secure and maintain "status". This is different from being senior or powerful – by focusing on status, you can help to shape how others see you, regardless of where you sit in a corporate hierarchy. You can also do it from day one of your career, making this a great book to give a recent graduate.

Fragale gives lots of tips for strategies to increase status, bit by bit: "small deposits" – doing things for someone else in a reciprocal manner, such as sending a congratulatory email or just a note to show you're thinking of them. If it sounds cynical, it's not. Fragale includes her own experiences throughout.

Some of the most useful chapters cover the "non-promotable tasks" that often fall to women. She doesn't advocate saying a straight "no", but suggests a considered view of whether you're best placed, plus asking "will this bring joy". Fragale's book is for anyone who wants to know the secrets of getting ahead without being a hard-ass. She comes across as a thoroughly likeable badass herself – this is a genuinely original and useful book. *Isabel Berwick*

'Hyperefficient,' by Mithu Storoni



As AI takes over routine tasks, the focus of expertise is shifting towards idea generation and complex learning. This transition requires us to measure efficiency in a new way, prioritising quality over quantity. Eye surgeon and neuroscience researcher

Mithu Storoni offers a way forward. Her approach to efficiency highlights aligning work with natural rhythms of body and mind. She argues that continuous, high-output work models are outdated. Instead, she says, the brain has different "gears" that can be adjusted depending on the task. Working in harmony with these mental gears can lead to optimal performance: a low-energy mental state is ideal for creative thinking, high-energy is better for problem-solving. By understanding these states, individuals can be efficient without burnout.

The author provides practical tools and strategies, helping readers to personalise work based on "gear personality" and achieve sustainable efficiency. The message? True efficiency is not about working harder, but smarter by leveraging the brain's innate rhythms. *Leo Cremonesi*

'The Vagina Business,' by Marina Gerner



In this optimistic account of a growing wave of "femtech" start-ups, Marina Gerner argues that vaginas are a business opportunity. The industry could be worth \$1tn as well as transform lives.

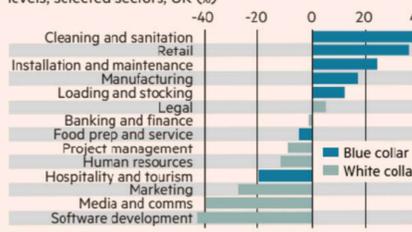
Gerner says femtech is innovation that "moves women's health forward" and "improves female wellbeing". Egg freezing, high-tech breast pumps and period tracker apps are among those praised.

Gerner whips through a range of applications, introducing products such as an internal device to prepare for childbirth. Using personal narration, examples and characters, she charts the difficulties female entrepreneurs face. Some readers may find the book insufficiently critical. While sceptical about some technologies, Gerner is generally breezy about the transformative potential.

This can feel incongruous: knowing about vast inequalities around maternal mortality, the promises of a new app to change much seem thin. However, the book is a revealing look at a fascinating area of innovation. *Bethan Staton*

Demand for blue-collar jobs has increased but white-collar openings have fallen

Vacancies advertised in Sep 2024 as a share of Feb 1 2020 levels, selected sectors, UK (%)



WORK & CAREERS

The CEO. Christian Kullmann, Evonik

The chemicals boss standing up to Germany's far right



Kullmann at Evonik's headquarters in Essen. He says there is a 'significant opportunity' for European companies to move towards higher-value and greener chemicals — Carsten Behler/FT

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With his industry facing challenges from global rivals, the chief executive has no time for the AfD, writes *Arjun Neil Alim*

For a company at the centre of some of Germany's most complex challenges, from deindustrialisation to foreign competition and the climate crisis, its chief executive has two very simple rules for success.

"Number one: be tolerant. Number two: perform," says Christian Kullmann, head of Evonik, one of the country's largest chemical companies.

The group's seemingly arbitrary product areas, which include tyres, dish soap, animal feed and electric batteries, are connected by the fact that Evonik supplies many of the base chemicals needed to manufacture them.

The global business is a key part of many modern supply chains, from agriculture to the green transition. But it is also facing rising energy costs, the rise of protectionism and the need to innovate to produce low-emissions chemicals.

Kullmann was busy transforming the environment of his scenic office by chain smoking cigarillos with the windows closed as he laid out the scale of his challenge, a huge Viking axe sitting on a chair in the corner, left over from a recent promotional campaign.

His emphasis on tolerance has taken on a new significance after the far right won its first state election in Germany's postwar history on a stringent anti-foreigner platform this month.

"Anyone who votes AfD is putting jobs at risk — their own and other people's," he says of the right-wing party. "This is a threat to liberalism, tolerance, democracy, the rule of law and freedom of opinion, and that threat increases as the AfD becomes more successful."

Kullmann pulls no punches with his description of the AfD as a "right-wing mob" that is "hiding [its] true intentions". "The AfD is damaging our economy, our society and our future. It endangers everything from human rights to foreign investments. It must be made clear to everyone what this party stands for and what that means for Germany: the most serious upheavals and dramatic losses in prosperity."

Kullmann accepts Evonik is likely to have AfD voters in its ranks given it is a large employer of blue-collar workers. Given the chance to speak to one, he says he would warn them "not to risk your future" and would worry that an AfD-minded employee would not be able to "treasure colleagues in Asia, Africa and the US".

"I would ask them if they believe that

Evonik is the right employer [for them]," he adds.

The AfD did not respond to a request for comment. Kullmann's views echo those of Thomas Rabe, chief executive of German media group Bertelsmann, who has said people who voted AfD were not welcome in his company. "Any form of discrimination is totally unacceptable under our code of conduct and many other rules of course," Rabe told the Financial Times last month. "People who are AfD quite simply don't fit with these requirements as I see it, and should . . . ask themselves whether we are the right employer for them."

A broader swath of German industry has taken a softer approach, launching a campaign titled "We Stand for Values" that encouraged people to vote against "extremism and populism" before June's European elections — in which the far right also performed strongly — without naming specific parties.

"It's not about putting slogans and murals saying, 'We are representing democracy,' and so on," says Kullmann, who spoke on stage at an anti-AfD rally in Essen before the European elections. "We have to name [the AfD]."

Kullmann was born in the Ruhr valley in Gelsenkirchen, near the Evonik headquarters, an area he calls a "melting pot" as, for generations, people have come from across Europe to work in the coal mines and industry. He traces his own ancestry to France and Poland.

"What have I learnt from the history of this region in respect of steering a multinational company like Evonik?" he asks, rhetorically. "It's very simple. If you're Black, white, yellow, whatever, I'm not interested. If you're Christian, Jewish, Muslim, I'm not interested. Only two aspects [have] relevance to me: be tolerant, and perform — do your job!"

Kullmann values traditional ways of

working. "I am no digital native. I like to read things on paper and meet people face to face," he says, adding that it is easier to open up in a personal setting.

The executive worked in the communications department of Dresdner Bank, which merged with Commerzbank in 2009, in Frankfurt, rising to become its head of public affairs before leaving in 2003 to join RAG, the coal mining company that later split off its chemicals division to form Evonik.

He worked as an assistant to RAG's chief executive before rising up the ranks and becoming head of Evonik in 2017. He is chair of the supervisory board of the football team Borussia Dortmund, itself at the heart of another cultural shift in Germany, as it became the first Bundesliga team to receive sponsorship money from a defence company — Rheinmetall.

While Kullmann made his political views clear, he also took a stand against

'It must be made clear to everyone what this party stands for: dramatic losses in prosperity'

empty signals of morality, such as the "disastrous" armbands the German national football team planned to wear at the world cup in Qatar in support of LGBTQ rights, until Fifa banned them.

"We in Europe will lose in the next 15 to 20 years some 25 per cent of complex production," he predicts, due to the cost advantage foreign producers have on low-margin products made from oil, especially in China and the Middle East.

Yet he also says there is a "significant opportunity" for European companies to move towards higher-value and greener chemicals. Rhamnolipids, biodegradable active ingredients in soaps, are an example of a "brand new market" Evonik has opened using manufacturing processes not based on fossil fuels.

"If we become [a] frontrunner in respect of our technology, of our R&D, of our innovation power, we could become best in [class] in making the green transition happen."

"Cautiously, I would say this is what holds true for the whole German industry," he adds.

A day in
the life

Mornings Get up for breakfast with the family then commute to my office in Essen. It takes about an hour from my farm out in the sticks and it is a very productive time. I read newspapers and do paperwork on the Autobahn. I regularly meet the 12 managers reporting to me directly. But my office is open for any employee. When I started in the job, I extended board meetings. Discussing our complex projects is time well spent. **Evenings** I often meet clients, customers, politicians. Preferably with a glass of wine over dinner. Saturday is family day. I walk the dogs with my wife or accompany the children to sports events. On Sundays, I go running or attend church.

MILAN FASHION WEEK

FASHION

Kati Chitrakorn



Julianne Moore had a bear. Asap Rocky a rooster. And Kendall Jenner a horse. I'm talking about the animal-shaped beanbag seats at Bottega Veneta, which, comically, were said to be tailored to each guest. Created by Italian furniture company Zanotta, the seats were a spin on its famous Sacco armchairs.

Backstage, Bottega Veneta designer Matthieu Blazy reflected on feelings of childhood wonder and spontaneity, and his desire to reinterpret that for spring/summer 2025. He imagined a child playing dress-up in adult clothes; or a parent in a perfect suit, sartorial elegance ruffled by a kid's backpack over the shoulder.

Those thoughts explain the lopsidedness of some looks: a hybrid trouser-skirt with only one trouser leg, or a smart suit paired with a garish pink-and-purple backpack with bunnies on top. "Do we like the bag? I don't know," said Blazy. "Does it tell you a story? Yes."

Blazy felt that his last show in February "was maybe more contemplative and looking at what was happening in the world" — so this season, he sought to uplift, by celebrating "the simple act of fashion that happens every day" and creating moments that "feel playful and bring joy". He also continued to prioritise material innovation, creating delicious pieces made from subverted fabrics, such as merino wool woven into jacquards to imitate denim. What appeared to be plastic bags, carried by models as if on a grocery run, were in fact nylon and heat-sealed leather.

The richness, playfulness and depth of Blazy's collections set the designer apart from his peers, and will hopefully keep driving Bottega Veneta's sales, which dipped at the end of 2023 but have since rebounded.

Elsewhere in Milan, themes of hope, joy and purpose seem to be recurring. Donatella Versace, too, spoke of instilling a sense of optimism "when the world is upside down and there is bad news," as she gave journalists a preview of her designs, dressed in a cherry-red suit (instead of her usual black).

What that looks like for the Italian designer is a move away from last season's feisty punk aesthetic in favour of lighter, more colourful styles inspired by the Seventies. That included retro-looking wave jacquard cardigans paired with floral dresses — one was made entirely of metal mesh and covered in a poppy print. The colour pairing of some looks, like the brown, yellow and blue dress worn with red stockings by Gigi Hadid, was eccentric. Versace described it as "a beautiful moment, with happiness. I think sometimes fashion wants to [be] intellectual. You can do that. But I want to develop positivity."

At Diesel, creative director Glenn Martens had a different kind of message



Bottega Veneta's trouser-skirt hybrid. . . lighter, colourful styles at Versace. . .



wall-to-wall denim at Diesel. . .



Moschino's jazzy emblazoned suits. . . Dolce & Gabbana's Blond Ambition look



Hope for hard times

Designers at Bottega Veneta, Diesel and Versace sought to give their clothes new meaning

that was not subliminal in any sense. The show venue's floors and walls were covered in 14,800kg of denim offcuts, while a looping soundtrack emphasised the origins of indigo and its harmful manufacturing and dye processes.

All this was intended to highlight the OTB-owned label's efforts to reduce waste. Martens happily shared the statistic that on joining the company, only 3 per cent of its denim was made from organic, recycled and regenera-

Strong offerings from new designers proved that fresh blood can help reinvigorate heritage houses

tive fibres; today it is 57 per cent. And it remains one of Diesel's top-selling categories.

Stats aside, Martens understands Diesel well and the demands of its largely young customer base. Such is evident in his open-arms approach — from the live broadcasts from the studio each season, offering online viewers a behind-the-scenes glimpse into the making of a fashion show, to the designs themselves which, he emphasised, are made to be worn and lived in, and not stored away

or treated too preciously. Denim, he believes, exemplifies this, and so, he focused largely on the fabric, manipulating it to create distressed and double weft styles, or coating it so it appeared like leather.

One looming question is what else Martens plans to do with his prowess in material manipulation. The designer, who has been with Diesel since 2020, recently announced that he would stop his other design gig for Y/Project after 11 years. Asked about the catalyst for this decision, Martens said it had been "a long ride already", and that the recent death of his mother (as well as Y/Project's co-founder Gilles Elalouf who had been responsible for hiring him) was a sign to explore "something fresh," before hastily pledging his continued commitment to Diesel — "at least for this season," he joked. More to come then.

Moschino's Adrian Appiollaza may only be into his second womenswear season, but from the outset his humorous and playful flourishes have felt right at home. For spring/summer 2025 his show took place on the outskirts of the city, but the trip was worth it: opening the show were models draped in white sheets and carrying bags resembling household items, like a silver teapot or a bottle of laundry detergent — the kind of silly, loveable touches that have come to

define Moschino. Then there were suits covered with the words "What's up?" and T-shirts proclaiming "Get happy", a collaboration with British art director and i-D magazine founder Terry Jones. Other highlights included entire dresses sewn on to the back of simple black looks, and brand signatures such as polka dots and *trompe l'oeil* prints.

The most deafening screams could be heard outside Dolce & Gabbana as fans outside showed their enthusiasm for the brand's global ambassador, the Korean actress and model Moon Ga-young. But better known to a western audience was Madonna, who attended wearing a gold crown and a black veil that fully covered her face. Her 1990 Blond Ambition tour wardrobe, designed by Jean Paul Gaultier, served as the inspiration for Domen-

ico Dolce and Stefano Gabbana, who spent time with the singer this summer. There were cone bras and garters swinging from corsets and trousers — looks one could also imagine on Miley Cyrus, whose face as part of the autumn/winter 2024 campaign loomed large in the brand's headquarters when I paid a visit.

Strong offerings abound at Tod's, Ferragamo and Bally, proving that fresh blood can help to reinvigorate heritage houses. To the untrained eye, the stealth wealth design attitudes might appear similar, but each designer — Matteo Tamburini at Tod's, Maximilian Davis at Ferragamo and Simone Bellotti at Bally — has developed a distinct aesthetic for their respective brands. Tamburini's second collection felt clean, modern and cohesive; Davis continued his journey to

make Ferragamo feel relatable — this season it was through a ballet theme and the products had wide appeal; and Bellotti once more imbued Bally with a quirky formality that might look awkward or bland on a digital screen but works in the physical world.

It's still early-ish days for these designers, who must contend with new leadership arrangements. From Bally's new owners (it changed hands in August from JAB Holding Company to Escada owner Regent, a US-based investment firm) to a recently delisted Tod's, one hopes that caution will not stand in the way of future creativity and innovation.

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At Gucci, making fashion wearable

Designer Sabato de Sarno stuck to his guns and presented a collection rooted in reality

Fashion shouldn't be difficult to understand or difficult to wear. That's the view of Gucci designer Sabato de Sarno, who presented his third womenswear collection at the Triennale di Milano on Friday across red lacquered floors — the identifiable colour of Gucci under his tenure.

The goal of elevating the everyday has been the designer's intention since his first collection. And while the reset — following seven years of maximalism at the Kering-owned label — came as a shock to many, de Sarno has stuck to his guns: yes, fashion is for expressing oneself, but dressing up doesn't have to be so far removed from reality.

"Casual grandeur" is how de Sarno described the spring/summer 2025 collection in his show notes, later elaborating backstage that this "means wearing [clothes how] you want and like, but in a very easy way". This encapsulates his approach to design: nothing is too complicated to wear, or to make sense of.

It can be tricky translating that into impactful advertising campaigns or catwalk shows, where visually striking

pieces tend to create the more lasting impressions. That might explain why the show space, lit to mimic the hues of a sunset, felt more intimate this time around. Guests — including Daisy Edgar-Jones, sitting next to Dakota Johnson, and Kirsten Dunst, seatmate to Kering CEO François-Henri Pinault — could see the clothes up close.

On the runway, there were vests and smart trousers accessorised with gold jewellery that wrapped around models' arms, necks and wrists. It was designed to mimic the handle shape of the Bamboo 1947 bag, an archival style that de Sarno reintroduced this season in lacquer and Plexiglas. De Sarno stated that the bags, not the clothes, were "the star of the show" — an approach that makes sense, given that a majority of the brand's revenues comes from leather goods and accessories.

There were also lace slips and Grecian draped dresses paired with knee-high boots, for which de Sarno clearly has a penchant — though this time they were a loafer hybrid, with the brand's signature horse-bit buckle on top. Heavier textures featured, including suede, denim, leather and full sequined styles, as did surprisingly vibrant colours such as a neon yellow or fiery tangerine print.

Closing the show was a quartet of looks: wide-leg trousers with floor-trailing coats and cardigans with the Gucci

monogram. "These new shapes and colours are to be worn in a casual way," de Sarno reiterated.

Unlike past shows, the mood was undeniably joyful. De Sarno received a standing ovation as he took his bow to the tune of "Non voglio mica la luna" by singer Fiordaliso, which every Italian attendee appeared to know and sing along to. "At my last show in September, we played [a remix of] 'Ancora ancora' by Mina," the designer said. "I'm younger than those songs, but my mum played them a lot when I was a child, so they stick with me."

The sentimental approach was touching, but it might not be enough to reverse the brand's fortunes. Its plummeting revenues have been a problem for parent company Kering: Gucci, with €10bn in revenue last year, accounted for half of group sales and two-thirds of profits. Kering's revenues amounted to €9bn in the first half of 2024, down 11 per cent on a comparable basis. They were dragged down by Gucci, whose revenue was €4.1bn, down 18 per cent like-for-like.

The challenge is getting people excited by de Sarno's designs, which have now been in stores for around eight months — an issue that has been exacerbated by a wider luxury slowdown. On witnessing pieces such as the embellished coats and sky-high platforms from his former collections worn by influencers and other guests off the catwalk, I thought they looked great. And isn't dressing for reality what de Sarno has always sought to do?

Perhaps the issue has been creating a meaningful connection to the brand, which ultimately fuels desire. That's all the more crucial, given Gucci's average price rises of at least 4 per cent over the past month, according to estimates from investment bank Cit; one wonders if the brand is doing enough to engage those who aren't at the shows. Hopefully, the recent hiring of former Louis Vuitton and Prada communications executive Stefano Cantino in a newly created deputy CEO role will help.

Sabato de Sarno presented his third collection of womenswear across floors of lacquered red — the identifiable colour of Gucci under his tenure



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ARTS

New queen of queer-pop crowned

POP

Chappell Roan

 Brixton Academy, London
 ★★★★★

Ludovic Hunter-Tilney

The queue to see the latest pop sensation stretched around the block. Cutesy devil horns and sparkly cowboy hats were popular accessories. Inside Brixton Academy, drag queens performed dance routines. Your correspondent, observing from the balcony, was schooled in ballroom-culture hand gestures by a friendly neighbour: a middle finger and thumb tap with an unprintable meaning and rapidly clicking fingers, a “you-slay-girl” kind of thing.

There were 5,000 people in the venue, mostly girls and young women, with a strong LGBT+ element too, all agog at the prospect of seeing Chappell Roan. A year ago, the FT reviewed her at Heaven, a celebrated but compact gay nightclub in London. Since then, the singer from small-town Missouri has made a *Wizard of Oz* breakthrough into technicolour stardom. Her album *The Rise and Fall of a Midwest Princess* came out in 2023 but peaked in the charts this summer. Its songs have swept TikTok and streaming platforms. The “pop girls” — Charli, Olivia, Sabrina, Billie and so on — have welcomed Chappell to their ranks.

The choice of drag queens as an opening act was not decorative. Roan, real name Kayleigh Amstutz, considers herself a “drag project” too. In one of her biggest hits, “Pink Pony Club”, she imagines a “special place where boys and girls can all be queens every single day”. This “special place” is pop music. The unhappy product of a Midwestern culture of guns and God, Roan has found liberation in the girls-and-gays demographics of pop. Now based in Los Angeles, the 26-year-old represents the next stage in a lineage running back to Lady Gaga and Madonna.

Those are big names to follow: the biggest, even. At the first of three London



Chappell Roan: new entrant to pop's A-list
 Jim Dyson/Getty Images

shows, Roan showed herself equipped for the challenge. Booked as part of a European tour before her popularity took off, the venue's mid-circuit size was a time-lag. Rub your eyes and there she was, resplendent in fringed red bodysuit and cowboy boots, fronting a three-piece band on a bare-bones stage amid an uproar of cheering and screams.

Although out of kilter with her A-list ascendancy, the unfancy set-up suited her. Roan did not come across as a manicured, tightly drilled presence. Instead she radiated a scruff-of-the-neck energy, bounding from side to side of the stage, twirling and dropping to her

knees. Songs were illustrated by a knowing repertoire of rolled eyeballs and draggy handography, but also the eyes-shut, clenched-fist posture of the power vocalist in full flight.

“Feminomenon” met with a word-for-word singalong, the words in question being a witty rejection of useless men and dismal heterosexual relationships. The song, written with Olivia Rodrigo's producer Daniel Nigro, had a jauntiness that sailed close to cheesiness. However, other tracks showed a rare ability to synthesise the often opposing attributes of camp and emotion. When Roan sang “I just want to get to know you” in “Red Wine Supernova”, she invested the line with a level of feeling that added an extra dimension to the song's comical tale of picking up a woman in a club.

She was accompanied by Andrea Ferrero on guitar, Allee Futterer on bass and Lucy Ritter on drums. The musical styles went from fizzy sing-speak numbers reminiscent of Rodrigo to the ballroom- and Gaga-channelling “Super Graphic Ultra Modern Girl”.

A switch to ballads with the doo-wop of “Picture You” highlighted the reach of Roan's highly impressive voice. The huskiness in her lower register gave her a certain mystery, while quavering higher notes carried just the right amount of emotiveness. Amid the zeitgeisty sense of a new queer-pop figurehead were old-fashioned virtues of charismatic performance, first-rate singing and vibrant songs.

[iamchappellroan.com](https://www.iamchappellroan.com)

Vivid blend of street dance and tradition

DANCE

QDance

Queen Elizabeth Hall, London

The Mad Hatter's Tea Party

Linbury Theatre, London

Louise Levener

Lots to love in QDance's *Re:Incarnation*. The Nigerian troupe began an ambitious nine-city UK tour in London last week with a piece that blends street dance and Yoruba ritual. Tireless physicality, vivid stage pictures and strong, rhythmic score offer all the ingredients for a great show, but the vignettes by founder director Qudus Onikeku vary in quality over the long 90 minutes.

The bare black stage is furnished with a jumble of waiting costumes plus two live musicians: Simeon Promise Lawrence (electric guitar) and Daniel Ifeanyi Anumudu (congas and talking drum). Lawrence supplements the live material from his mixing apparatus with sampled blasts of trumpet and a sound collage of political speeches, traffic noise and car horns to evoke the sonic overload of downtown Lagos.

There are three main sections: *Birth*, *Death* and *Rebirth*. The QDancers begin with a robotic skit on the tedium of rat-race routine — brushing teeth, shining shoes, working on a production line — before returning home for some equally metronomic sex. Finally, a woman downstage gives noisy birth and the ensemble break ranks in a celebratory frug. This cheery atmosphere is interrupted by an ugly fight that leaves the victim thrashing about on the floor like an inverted beetle desperately trying to right itself.

Mary Peter Ochei's costumes are a rich mix of paintbox casuals and ritual garb. One sequence has the cast bent double and festooned

with knotted string for a crazed chicken dance. In another, the men add to their height with fantastical headdresses adorned with weird little gonk faces — a nod to the Janus masks of Nigerian masquerades.

The closing sequence, *Rebirth*, begins with Esther Essien intoning a series of Yoruba proverbs: “If you do not lose your head, your head will not lose you” or (my personal favourite), “One piece of wood will start the fire.” She continues, deadpan, as her colleagues smear her and themselves with silvery-black body paint in readiness for the finale. Grouped in battle formation, they bounce forward on their fleet, percussive feet. It cries out for some kind of climax — a blast of sound or a flash of light would do — but this release never comes and the cycle of life continues on its way. ★★★★★

Touring the UK to October 19

[danceconsortium.com](https://www.danceconsortium.com)

Meanwhile, across the Thames, Covent Garden's Linbury Theatre is hosting the 10th anniversary revival of Kate Prince's *The Mad Hatter's Tea Party*. Prince reimagines Carroll's characters in a group therapy session — body dysmorphic Alice, shouty crackers Queen of Hearts — whose neuroses become the pretext for a bravura display of hip-hop from ZooNation company.

At two and a half hours, the show remains far too long and the mental health message — “There's no such thing as normal” — is hammered home without mercy, but the spoken narrative is witty, Josh Cohen's clever songs are soulfully sung and the dancing is first-rate. Tommy Franzen and Isaac “Turbo” Baptiste are hard to match in their original roles as psychiatrist and Hatter but new boy Jai Betote gives them a run for their money as the obsessive-compulsive White Rabbit. ★★★★★

To September 24, [rbo.org.uk](https://www.rbo.org.uk)



QDance company in 'Re:Incarnation' — Tristram Kenton

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A service from the Financial Times

Journalists tackle a vital topic: themselves

PODCASTS

Fiona Sturges



Seven years ago, the journalist and producer Brian Reed released a podcast called *S-Town*. It told the story of a man named John McLemore from Alabama who wanted Reed to investigate an alleged murder in his hometown, where a man had been beaten to death. The murder case turned out to be a non-starter, but Reed stuck around to get to know McLemore, an eccentric horologist who lived out in the woods with his aged mother, a pack of dogs and a giant hedgerow maze in his garden.

In the midst of Reed's research — spoiler incoming here — McLemore died by suicide. Reed continued to make the podcast, which by now was not about a murder but about McLemore and his extraordinary life and death. The series was instantly addictive, drawing 40mn downloads in the first month of release, and won a Peabody Award.

But it also opened Reed up to criticism which he hasn't been able to shake off. There were those who felt he had intruded on the life of a man with clear mental health problems. The estate of John McLemore also filed a lawsuit against *S-Town*, claiming the podcast had used McLemore's identity for commercial purposes,

violating Alabama law (the case was later settled).

Now Reed is back with a new series, *Question Everything*, which is ostensibly about the state of contemporary journalism, but opens with an episode about *S-Town* and whether those criticisms were merited. Reed talks to Gay Alcorn, an Australian journalist who wrote a review of the podcast in which she called it “morally indefensible”. Their conversation is good-natured but blunt, with Reed defending some decisions and agreeing with Alcorn's reservations on others.

Self-indulgent? Well yes, it is a bit. There's nothing journalists love more than to sit around with other journalists talking about their Very Important Work — and I say that as a journalist who has been known to do exactly that. Plus, a show that takes off in the way *S-Town* did is always going to

have its detractors. For Reed to be obsessing about this seven years later feels a little precious.

There is a wider context to *Question Everything*, though, and that is the rise of online misinformation and the growing distrust of mainstream journalism. You hope this bigger picture will be more apparent in upcoming episodes in which Reed will talk to investigative journalist Barton Gellman and tell stories of reporters who have been threatened or prosecuted.

In the meantime, there is a second episode called *Drinks for Five* in which Reed gathers together colleagues, including *This American Life*'s Ira Glass, Martin Luther King biographer Jonathan Eig and New York Times reporter Astead Herndon, to talk informally about their work. In other words, more journalists talking about themselves, but with added alcohol.



Journalist and producer Brian Reed presents a new podcast, 'Question Everything'
 Cristian Candamir

FT BIG READ. US ECONOMY

In a bid to boost manufacturing, the Republican candidate is promising sweeping tariffs on imports. Critics warn they would cause huge damage, including inflation, and heighten global tensions.

By Claire Jones, Colby Smith and James Politi

The radicalism of Trumponomics

FT montage/Bloomberg/Dreamstime



At a campaign rally in Tucson, Arizona, earlier this month, Donald Trump offered the audience some of his usual campaign bravado. He claimed to have enjoyed a “monumental” win over Kamala Harris in their presidential debate two days earlier and doubled down on his controversial false claims that Haitian immigrants are stealing and eating pets.

But a significant part of the former president’s speech focused on the economy, vowing to end the “mayhem and misery” Americans were experiencing under the administration of Joe Biden. “We will deliver low taxes, low regulations, low energy costs, low interest rates and low inflation,” he promised. “So that everyone can afford groceries, a car and a beautiful home.”

Ever since he launched his campaign for a second term, Trump has hammered the Biden-Harris administration over the country’s cost of living crisis.

In Arizona, the former president offered the conventional Republican remedy of new tax cuts — ranging from income from overtime pay, tips and pension benefits to a massive across-the-board tax cuts for individuals and corporations.

But this time round, Trump has also developed a much more populist economic policy agenda designed to present him as a defender of the interests of ordinary working people and domestic manufacturing.

The main planks of what Trump calls “Maganomics” include more aggressive tariffs on imports from around the world, especially from China, and a draconian crackdown on immigration. The campaign’s rhetoric also pushes for greater political influence over monetary policy and the dollar.

With Trump’s statements as a candidate, it is not always easy to decipher what is a plan, what is bluster and what is a negotiating ploy. But economists of all stripes agree that Trump’s agenda represents a far more radical extension of the policies introduced during his term in office between 2017 and 2021.

If he were to win the election and actually implement the plans, they would fundamentally reshape America’s economy and its relationship with the rest of the world.

Within Republican circles, one of the most prominent supporters of the agenda is JD Vance, the vice-presidential nominee. “We believe that a million cheap knock-off toasters aren’t worth the price of a single American manufacturing job,” he said at a rally in July.

Critics warn, however, that the policies would be hugely damaging to the economy and would not help the US compete with China.

“If Donald Trump did half of what he’s promising, the results for the US economy would be chaotic and negative,” says Jason Furman, a former White House economist in the Obama administration, who is now a Harvard professor. “The biggest thing we have on our side against China is we’re part of a bloc of countries that get along pretty well.

You need to trade, especially with your enemies. I’m not saying we sell nuclear weapons to North Korea. But you need trade so people talk to each other.

Putting tariffs on all of those countries would rip that apart.”

Stung by the criticism over their own record on inflation, Democrats have been quick to claim Trump’s proposed policies would cause a further spike in prices and damage the economy.

“Sixteen Nobel laureates have described his economic plan as something that would increase inflation and, by the middle of next year, would invite a recession,” Harris said in the debate.

Even some supporters of Trump are worried about the international implications of America adopting such an aggressively protectionist approach.

“You need to trade, especially with your enemies. I’m not saying we sell nuclear weapons to [North Korea’s] Kim Jong Un. But you need to have trade so people talk to each other, they like each other, you’re buying from them, they buy from you,” says Arthur Laffer, an economist close to the former president. “All of this stuff of sanctions and threats of tariffs and all that stuff is not the right way to go. That’s a way of guaranteeing World War Three.”

At the core of Maganomics are ideas that would turn many aspects of the economic model adopted in industrialised economies over the last century on their head.

If enacted, they represent a return to an era where substantial chunks of government revenue came from trade tariffs, rather than from taxes on people’s incomes and the profits of businesses.

“He’s clearly thinking of fundamentally changing the sort of balance of revenue sources in the American tax system. And by extension, the way that we think about trade in the United States and our relationship with our trading partners,” says Ernie Tedeschi, director of economics at the Yale Budget Lab and a former official in Biden’s Council of Economic Advisers. “That was how we did things in the 19th century, not in the 20th century, let alone the 21st century.”

During his spell in the White House, Trump aggressively imposed tariffs on China — many of which were kept under Biden. However, under the ideas being considered, a second term of Trump would see levies on imports supercharged to levels last seen during the 1930s following the passing of the

protectionist Smoot-Hawley Tariff Act.

After initially saying he wanted to impose 10 per cent tariffs on all imported goods, Trump has recently said they could be up to 20 per cent. For Chinese imports, he has talked about imposing a 60 per cent tariff. And this month he said countries that planned to reduce their dependence on the dollar would also be hit with 100 per cent tariffs as punishment.

Trump hopes the trade barriers will not only raise revenues, but lead to the restoration of some of the manufacturing jobs lost since China joined the World Trade Organization in 2001, a figure US Treasury Secretary Janet Yellen this year estimated at 2mn. “When they come in and they steal our jobs, and they steal our wealth, they steal our country,” Trump told Time Magazine in April.

There will be costs to such a policy, however. The Peterson Institute for International Economics think-tank in Washington calculates that 20 per cent across-the-board tariffs combined with a 60 per cent tariff on China would trigger a rise of up to \$2,600 a year in what the average household spends on goods. They say that the tariffs would disproportionately hit the low-income households that Trump claims his economic policies help protect.

Mary Lovely, one of the authors of the PIIIE study, says there is a risk trade barriers become an easy tool to overuse. “Tariffs do not show up on the government budget, even though they are equivalent to a subsidy to domestic producers,” she says. “They are also simultaneously a tax on consumers, but many voters do not perceive tariffs as a tax.”

Laffer believes Trump is using tariff policy to get countries around the negotiating table and to agree to remove their own barriers to trade. “That’s my story. I’m gonna stick to it. And I’m probably wrong, but that’s what I believe is true.”

Yet despite the potential costs, many voters support the tariffs, especially in manufacturing-heavy swing states such as Michigan. “I don’t know why we wouldn’t have tariffs on everything coming from China,” says Nelson Westrick, a worker at Ford who lives in Macomb County close to Detroit. “And everything from Mexico too.”

Trump’s advisers claim the tariffs will raise funds to help cover a staple of Republican economic policymaking — tax cuts. Specifically, a second Trump administration plans to make permanent the lower tax rates introduced during the former president’s term in office.

Republicans claim that the 2017 tax cuts on income and investment, which were otherwise set to expire in 2025, will help spur growth. That in turn will help address the US government’s ballooning fiscal debt burden, they say.

“The single most important thing to solving the debt is to grow the economy much faster,” says Stephen Moore, an economist close to Trump. “There’s a lot in Trump’s agenda that would do that.

Reducing tax rates will help grow the economy, producing more American energy will help the economy, better trade deals will improve the economy. Trump has also talked about cancelling hundreds of billions of dollars of these green energy programmes. That would save a whole lot of money.”

Moore adds: “I can hardly point to a single government programme the Democrats want to get rid of and Trump’s talked about hundreds of programmes and budgets that he [would have] eliminated.”

However, many economists say the Trump campaign’s sums do not add up. “[It’s] always said that [tax cuts will fund themselves], but it’s never happened,” says PIIIE senior fellow Maury Obstfeld.

If anything, economists claim they could stretch the US’s already strained finances even further. “Tax cuts will add to deficits, and in a full employment economy, like the one we have now... that will be inflationary,” says Mark Zandi, chief economist at Moody’s Analytics.

The dominant criticism of the Trump agenda is that it will be nigh on impossible to cover the cost of tax cuts through tariffs. Penn Wharton Budget Model, a research group, has estimated that Trump’s plans would raise US deficits by \$5.8tn over the next decade. Meanwhile the conservative Tax Foundation think-tank estimated that his new plan to exempt overtime work from federal levies would cost the US a further \$227bn in lost revenue over the next decade.

However, PIIIE senior fellows Obstfeld and Kimberly Clausing think that the maximum amount of additional revenue the administration can raise — by applying a 50 per cent tariff on everything — would be \$780bn.

“If we wanted to completely replace the income tax with a tariff, we would need at least a two-thirds tariff. And then you have to remember that people are going to start substituting away from imports and then there’s going to be retaliation and so on,” says Tedeschi of the Yale Budget Lab. “It’s impossible to make the math work. You probably can’t raise taxes high enough.”

Gary Cohn, the vice-chair of IBM and Trump’s former top White House economics adviser, told CBS that he did not see the appetite in Congress for passing Trump’s tax plans. “I do think there is growing and growing opposition in both the House and the Senate, and I would say on both sides of the aisle, for a large deficit tax plan,” he said.

Some investors and economists also fear Trump’s desire to gnaw at the US Federal Reserve’s independence.

During his term in office, Trump repeatedly, and very publicly, bashed Jay Powell on what was then called Twitter, at one point questioning whether the Fed chair was a bigger “enemy” of America than Chinese leader Xi Jinping.

The Republican candidate remains critical of Powell. The Fed “has gotten it wrong a lot,” Trump said last month, adding that his business background meant he has “a better instinct than, in

many cases, people that would be on the Federal Reserve or the chair”.

Following the Fed’s decision last week to lower interest rates by half a percentage point, Trump said it showed the US economy was either “very bad” or the central bank was “playing politics”.

Robert Lighthizer, US Trade Representative under Trump and still a close adviser, has voiced his desire to weaken the dollar in a bid to boost sales of US goods abroad — a policy that low rates would potentially support.

Some members of the Trump camp believe the recent inflation shows that the administration should hold more sway over monetary policy. “If they [the Fed] make a mistake and do something wrong, what happens to those Fed members?” asks Laffer. “Nothing. They don’t even lose their jobs.”

However, some economists warn that any moves to weaken Fed independence could rattle markets and eventually trigger even more inflation.

“Long term inflation expectations are anchored by the judgment that a politically independent central bank will impose restrictive policy if inflation becomes excessive,” says Larry Summers, a professor of economics at Harvard University who has served under Democratic administrations. “If that expectation is allowed to dissipate, that means higher wages and prices as everybody anticipates more inflation.”

Zandi of Moody’s queries any proposal to engineer a weaker dollar. “I don’t know how they plan to get the value of the dollar down for any length of time,” he says. “They could try to capture the Fed and run a very loose monetary policy. But while that may work for a short time, it would quickly become inflationary.”

The Fed’s independence has been codified in the law for over a century and makes the institution accountable only to Congress, rather than the president. That means any substantive changes, including personnel, cannot be forced through by the executive branch but rather must garner the support of a vast majority of lawmakers.

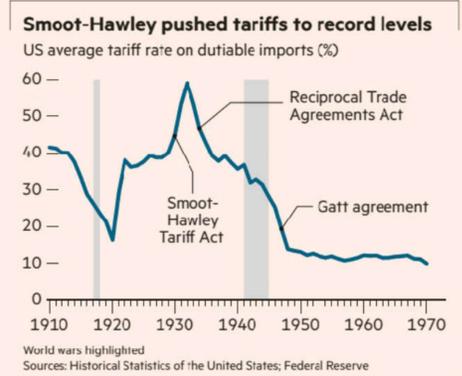
Powell’s second term as Fed chair is due to end in May 2026, setting the stage for Trump to name a successor who is more amenable to influence by the executive branch if he wins the election.

But the next president would only have limited scope to reshape the Fed’s seven-strong board of governors. Adriana Kugler’s term is the earliest to expire in January 2026. The next opening would not come up until 2030, when Christopher Waller’s term is up.

Sarah Binder, political science professor at George Washington University, says she expects Congress to “stand up and defend the Fed” if there was a push for more interference by a second Trump administration.

“Ultimately it’s a matter of norms,” says Binder. “How far is Trump willing to exert his authority?”

Data visualisation by Keith Fray



I don't know why we wouldn't have tariffs on everything coming from China. And everything from Mexico too

The FT View



FINANCIAL TIMES

"Without fear and without favour"

ft.com/opinion

The path to global carbon pricing

To tackle climate change, the 'polluter pays' principle must spread further

Economists are rarely ever unanimous. But one matter on which they almost all agree is the need for carbon pricing. Their support is paying off. The principle that polluters should pay is in increasing force around the world. In an interview with the Financial Times last week, Ngozi Okonjo-Iweala, the head of the World Trade Organization, said that globally there were 78 different carbon pricing and taxation mechanisms. They cover close to one-quarter of international emissions, up from just 5 per cent in 2010, according to the World Bank.

The expansion of carbon pricing policies is welcome. They provide an incentive for polluters to shift to cleaner energy sources and to invest in green technology and efficiency. Emissions covered by the EU's Emissions Trading

System – which combines a cap on emissions with a mechanism to trade allowances – have fallen by close to 40 per cent since 2005. China is looking to expand its ETS; Turkey and Brazil plan to introduce one, too. But as more nations place a price on their carbon emissions, whether through taxes, trading schemes or indirectly via regulation, global trading tensions are also rising.

The EU's carbon border adjustment mechanism (CBAM), launched last year, is a case in point. Eventually it will require exporters to the bloc, who pay lower or no carbon prices at home, to pay a levy linked to the EU's carbon price. The idea is to level the playing field for European manufacturers that pay the ETS. But it is triggering complaints from trading partners – in particular, that it burdens poorer nations with additional costs and administration. Countries could levy equivalent carbon taxes at home, to avoid the border charges, but they struggle to do so politically, or think it is unfair they should have to.

Okonjo-Iweala says the answer is a global carbon price. That is logical. Aligning carbon price regimes would reduce trade frictions, and alleviate concerns around arbitrage, where heavy emitters move to areas with lower prices. Reaching an agreement on prices, let alone regulatory equivalence, at an international level, however, will not be easy – or fast. And given signs that the world is warming faster than expected, carbon prices swiftly need to grow wider, and higher.

There is a way forward. First, more governments should realise that hesitancy over carbon pricing is increasingly futile. The world is shifting away from fossil fuels, and green subsidies are expensive. Politicians can build support at home by using revenues from carbon taxes to cushion their impact, reduce debt, or raise public investment. Income from carbon pricing schemes surpassed \$100bn last year, a record.

Second, as more countries adopt their own carbon pricing, trade distortions

Aligning carbon price regimes would reduce trade frictions, and alleviate concerns around arbitrage, where heavy emitters move to areas with lower prices

and threats to competitiveness will ease. Indeed, the potential additional cost of trading with the EU, has jolted others into action. Given its prominence in global trade, expanding the bloc's CBAM to more industries, will in turn help widen the scope of carbon pricing elsewhere. The US is now exploring carbon pricing on its imports, too.

Third, however fraught, efforts to synchronise global trade and climate policy should continue. Nations will want to adopt bespoke carbon measures, but over time they can be clubbed together. Multilateral institutions can champion this bottom-up process. That means providing expertise and administrative support to developing nations seeking to develop carbon regimes, and acting as a forum to nudge the biggest economies towards alignment.

Carbon pricing is just one part of the large policy arsenal needed to tackle global climate change. But failing to build on recent momentum would be a missed opportunity.

Opinion Social media

With Bluesky, the echo chamber is back in vogue

Ben Hickey



Jemima Kelly

There is currently great danger," a man wrote two years ago, "that social media will splinter into far right wing and far left wing echo chambers that generate more hate and divide our society."

It may surprise you to learn that the man in question was Elon Musk, who wrote these words when he bought the social media platform formerly known as Twitter back in October 2022, stressing the need for humanity to have a "common digital town square" that was "warm and welcoming to all", not a "free-for-all hellscape".

And yet... and yet. Repelled by the direction that the site now called X and its owner has taken, an exodus from the platform is under way. That exodus – oh go on then, Xodus – has been particularly apparent in Britain, having gathered steam since Musk starting posting things like "civil war is inevitable" during riots

Repelled by the direction that X and its owner have taken, an exodus from the platform is under way

that broke out over the summer. Many have left the platform entirely, while others merely lurk. "I have an answer to this, but discussion only on Bluesky these days am afraid [sic]," I saw someone reply on X recently.

Either way, activity has fallen discernibly. Data from Similarweb shows active daily users in the UK have dropped from 8mn a year ago to only around 5.6mn now, with more than a third of that fall coming since the riots. It is happening elsewhere too, and not just in places where the platform has been banned, such as Brazil. Over the same 16-month period, X's active US users have fallen by about a fifth.

As disillusioned X users become, yes, ex-X-users, they are finding their way on to alternative sites. With Mastodon having proved off-puttingly techy for many, that tends to either be Meta's Threads app, or Bluesky, the platform that Twitter founder Jack Dorsey helped to start. But while the former is winning in terms of absolute numbers – about 1.4mn daily active users of Threads in the UK, compared with just over 100,000 for Bluesky – it is the latter that has grown the most rapidly over the past six weeks, and that is cementing itself as the top choice for media types, policy wonks, academics and the broader chatterati.

That there is a new place for such

people to congregate is all well and good, but the problem is that the chatterati – very nice, non-conspiracy-theorising and non-overtly-racist though they may be – tend to coalesce around some quite similar viewpoints, which makes for a rather echoey chamber. I'm not sure I have ever felt more like I'm at a Stoke Newington drinks party than when I'm browsing Bluesky (including when tucking into Perelló olives and truffle-flavoured Torres crisps in actual N16).

An even more fundamental problem is that nobody on Bluesky seems to actually *mind* that they are in an echo chamber. When I told a friend, who happens to be an enthusiastic Bluesky user, what I was writing about this week, she replied "oh yes, but it is an echo chamber, that's what people like about it, it's lovely".

Many enthuse about how like "old Twitter" Bluesky is, which is telling: in the old days of Twitter, progressives far outnumbered their conservative counterparts in terms of how much they posted about politics on the platform, but that share has fallen dramatically since Musk took it over. According to the British Election Study, in the run-up to both the 2015 and 2019 elections, about 30 per cent of the most progressive Britons posted about politics on the platform. This year, while the most conservative Britons were no less likely to post than before, the share of progressives posting on X had halved to 15 per cent; presumably that has since fallen much further, given this survey preceded the riots.

In many ways this is all fair enough. Many of us use video-first platforms like Instagram and TikTok as procrastination-cum-entertainment; why shouldn't the text-based social media sites be a place for procrastination-cum-cosy-filter-bubbling? Why not have a place on the internet that you can go and have a nice, civilised chat with someone who shares your worldview without the risk of coming across a load of vile racist content?

It comes down, in the end, to whether or not you believe that the "digital town square" Musk talked about when he bought Twitter can really exist and, if it can, whether it is of any benefit to anyone.

I have previously argued that a "digital town square" is a contradiction in terms – the internet is never going to enable the kind of engagement and understanding that comes from coming up against a real person in all their raw and imperfect humanity.

But while it will always be much messier and more maddening than we might like, I believe such a place is preferable to a series of siloed echo chambers. The irony is that it is the man who warned of the "great danger" of a splintering-off who is most responsible for making that a reality.

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Letters

Europe's capital markets must make it easier to issue equity

The EU's competitiveness has been the talk of the continent ("Draghi hopes to save Europe from itself", Opinion, September 18).

Former and current prime ministers, business leaders and heads of the EU's largest investment funds, among other prominent voices, are lamenting what has been termed a "competitive crisis". EU leaders are right to focus on this issue. Europe is falling behind.

As leaders look for real solutions to these real challenges, they should take a page from the book of those running US capital markets and get rid of the EU's antiquated shareholder rights equity issuance rules.

The US method of raising equity capital through open offerings is faster and more efficient, and it ultimately better serves shareholders.

Conversely, the EU's stringent shareholder rights rules, while designed to protect investors, often impede companies' timely access to capital.

As chief executive of a fund manager I know that in today's fast-paced global economy cost, speed and access to capital is critical.

Rights offerings often succeed not because of the companies' attractiveness – for example, a perception that they are strong and

well managed – but because of wide discounts offered that are consequently coercive to shareholders who didn't want to absorb dilution.

That's anathema to a competitive market. The prevalence of deeply discounted, defensive rights issues is one of the reasons why European markets have lagged behind the US, in our view.

By modernising these rules, the EU could create a more dynamic and responsive market environment. Simplifying the equity issuance process would make it easier for European companies to compete on the global stage, attracting more investment into

the region through the improved access to and cost of capital. Investors are more likely to put their money into markets where companies can act swiftly and decisively.

Moreover, reforming these regulations would send a strong signal that the EU is committed to fostering a competitive and innovation-friendly economy via vibrant capital markets. This could help reverse the current trend of European companies being overshadowed by their American and Asian counterparts.

Joseph Harvey
Chief Executive, Cohen & Steers,
New York, NY, US

FT view on Israel pager attack was blinkered

A diplomatic agreement between Israel and Lebanon is preferable to outright war, but the FT missed the mark in its editorial, which criticised Israel for attacking thousands of Hizbollah members while they "went about their daily business" ("Israel's reckless pager attack on Hizbollah", FT View, September 19)

Hizbollah, a multi-faceted entity in Lebanese society, is a designated terrorist organisation under US and EU law. Its charter states its purpose as the "obliteration" of Israel, and the group's "daily business" consists of indiscriminately targeting Israeli civilians, including 12 children killed in a strike on a football field in July, and the firing of thousands of rockets on Israeli towns since Hamas's October 7 attack.

Israel, for its part, targeted elements supporting Hizbollah's military wing, which is actively engaged in hostilities against Israel on a daily basis. An analysis of Israel's actions should include this context.

Daniel Silverberg
Senior Adjunct Fellow, Center for New American Security, Washington, DC, US

Diplomacy can avert the ineluctability of conflict

Reading your editorial on the situation in the Middle East is rather depressing, for two reasons ("Israel's reckless pager attack on Hizbollah", FT View, September 19).

First, it is absolutely accurate to describe the seriousness of the situation and how it could further degenerate into an all-out war, taking an appalling toll in terms of casualties, displaced peoples and destruction.

Second, the editorial seems to follow an inescapable logic, although it ends with a prudent hint of hope in the US plan. Unfortunately, this applies to other conflicts around the world too.

The sense of ineluctability and resignation appears widespread among governments, at the UN – whose main objective is averting the scourge of war – and at the EU, which was established to promote peace and stability through economic integration and prosperity.

Diplomacy and the peaceful settlement of disputes seem to have been dismissed in favour of a race towards armament and militarisation. This is not to say that governments and relevant international organisations should not upgrade, test and strengthen their military defensive capacities. Obviously, they have to take such steps, and we are grateful they do so. But they cannot afford to neglect any suitable peaceful means to prevent and defuse international conflicts, however difficult and complex the task may be.



Unruly: UK Supreme Court last week showed red card to football referees

Needless to say, a diplomatic solution to the crises in the Middle East – or in Ukraine or elsewhere – unavoidably requires, from the parties involved, a willingness to make mutual concessions and sacrifices, and from any mediator or broker both vision and perseverance. Territorial disputes, individual criminal responsibilities, liability for the damages caused throughout the crisis, reconciliation and reconstruction are all formidable challenges but not inexorably insurmountable obstacles.

Diplomacy cannot surrender and must claim and honour its role.

Tarcisio Gazzini
Professor of International Law,
University of Padua, Veneto, Italy

Reason pension insurers are on to a good thing

John Plender is right to draw attention to the growing preference of defined benefit scheme trustees and the schemes' employer sponsors to insure their pension obligations ("The lucrative pension fund transfer trend needs urgent scrutiny", Opinion, September 17). However, the primary reason for this trend has, perhaps, been overlooked.

Beneficiaries of a defined benefit pension rely on the strength of their former employer's corporate covenant being sufficient to meet, in all circumstances, the "promise to pay" implicit in a DB pension.

Conversely, following a transfer to an insurer, this promise is underpinned by the solvency capital requirement and the Financial Services Compensation Scheme. In other words, a "promise" becomes a closely-regulated commitment. Hence the market's rapid growth now that this protection is evidently affordable.

Mark Wood
Chairman, PensionBee, London SE1, UK

Doctors will always play role of empathetic listener

I am a GP and was concerned to read Dame DeAnne Julius's suggestion ("Investment is wasted without public sector productivity reform", Letters, September 17) that we should replace expensive labour with the use of technology. British general practice, with its emphasis on continuity of care and treating the whole patient, has up to now provided a very efficient and cost effective primary healthcare system compared to other countries in the world.

I would point your readers to the words of Dr Helen Salisbury, who writing in this week's British Medical Journal, said: "In that moment when there seems we have little to offer in the face of suffering and the solution is beyond the scope of our medicine, the only thing we have left is to listen. We should not underestimate the power of making a space in which the patient can examine and explore problems – talking out loud, without interruption, to an empathetic listener."

The appropriate use of technology in medicine will help us care for our patients but it may not necessarily lead to a reduction in costs or better patient care.

Dr Sarah Hildebrand
Brentwood, Essex, UK

Applying prime numbers to world of cogs and gears

Jonathan Allum (Letters, September 17) bemoans the fact it is now acceptable for people to say they "can't do maths".

He also extols the subject's virtues, including the use of prime numbers in encryption technology. Understanding how prime number theory helps in encryption is not easy for a competent mathematician, never mind those less able.

As a young boy with a love for mathematics, my engineer father enlightened me with a practical use for prime numbers.

When gearing systems were first designed with metal gear wheels, any slight imperfection in one cog would rub against the cogs it touched in the adjacent wheel and ultimately cause a catastrophic failure.

When a mathematician advised that the number of cogs on each of the adjacent gear wheels should have no common divisor (ie be relatively prime), this meant the wear caused by any slight imperfection on one cog would be shared equally by all the cogs on the other wheel, rather than being repeated consistently on a number of them. Moreover the life of that gear wheel would be dramatically increased.

Simple but beautiful.

Dick Sands
London TW8, UK

Labour workers' rights bill leaves freelancers in a bind

Delphine Strauss reports on union warnings that employers could sidestep Labour's workers' rights upgrade by hiring people as self-employed contractors (Report, September 16). While I agree this is a palpable risk, a Supreme Court ruling last week has made it harder to prove that someone is genuinely self-employed. This is not the positive development that it may appear to be to some.

In an employment status dispute between HM Revenue & Customs and Professional Game Match Officials Limited, the body that assigns referees to professional football matches, the court ruled that some casually self-employed referees should actually have been paid and taxed as employees. The judges looked at whether PGMOL and the referees had "mutual obligations" to each other to offer and complete work – a key indicator of employment. HMRC has long argued that merely by agreeing to take on work, a contractor has established "mutual obligations" with their client, regardless of the length or frequency of that work. This view was backed by the court.

This will not only affect future employment status rulings, but also the advice that employers will receive before attempting to classify their workforce as "self-employed contractors". However, those who want to be self-employed have just lost one of the legal avenues to prove that this choice is legitimate.

Having a thriving self-employed sector is great for the economy, for hirers, and for the people that choose to work independently. But while workers with employment contracts are set to be granted greater flexibility in work, the traditionally flexible freelance sector is being placed in a bind.

The unions are right – our employment status rules are in dire need of reform. If government proceeds with its plans for a single status of "worker" without updating the rules that decide who that status should and shouldn't apply to, it risks placing even more strain on a struggling labour market and shutting down the ambitions of those who one day may wish to work for themselves.

Andrew Chamberlain
Director of Policy, IPSE – The Association of Independent Professionals and the Self-Employed, London WC1

Could PM's chief of staff not have saved his blushes?

As Sue Gray, Sir Keir Starmer's chief of staff, is paid more than the impecunious prime minister, perhaps she could have bought his spectacles.

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Opinion

It's no longer glorious to get rich in China – it's dangerous

MARKETS

Ruchir Sharma



Last month, Colin Huang, founder of ecommerce powerhouse PDD, attracted the usual headlines when he rose to become China's richest man. But shortly after, PDD surprised investors with a downbeat profit forecast. Its stock plummeted. Huang lost \$14bn overnight, and ceded the top spot to Zhong Shanshan, founder of beverage giant Nongfu Spring. Within 24 hours, Nongfu Spring issued its own unexpectedly depressing outlook, and Zhong, too, soon slipped from first place on the rich lists.

On Chinese social media, chatter broke out about whether corporate leaders might be competitively devaluing their own stock prices to avoid the widening crackdown on excessive

wealth, which is a centrepiece of leader Xi Jinping's "common prosperity" campaign. It is not implausible to conclude, wrote one Wall Street broker, that "nobody wants to be the richest man in China" at a time when its government is turning more assertively socialist.

Whatever the true motive for these profit warnings, the way they were spun on Chinese social media reflects a real change in the national zeitgeist. When Deng Xiaoping became paramount leader in the late 1970s, he defanged the old Maoist hostility to wealth creation. To get rich would be "glorious" in his increasingly capitalist nation.

But there was a catch. It was glorious to get rich – just not too rich. China was generating far more wealth than other developing countries, yet its largest individual fortunes remained modest compared with those in much smaller economies, including Nigeria and Mexico. Even during the roaring boom of the 2000s, an unwritten cap seemed to remain: no single fortune would rise much higher than \$10bn. China's billionaire list was also unusual for the high rate of churn in its top ranks.

By the early 2010s, at least two tycoons had seen their net worth approach that decabillion-dollar barrier, only to land in jail on corruption charges instead. That is not to say the charges were baseless, only that the choice of targets did appear to reflect a lingering, levelling tendency among China's leaders.

That instinct flowered anew under Xi.

Stories abound of the state launching investigations against this business figure or that financier

Coming to power in 2012, he launched a campaign against corruption that reached deep into the elite. The early targets were often public sector bigwigs – bureaucrats, communist party princelings. With China's economy slowing, the regime seemed reluctant to scare the one private-sector goose still laying golden eggs – big tech firms. Over the years, many Chinese would

build fortunes bigger than \$10bn. The first three to breach that threshold were tech founders led by Jack Ma of Alibaba.

This quiet tolerance would turn in 2020, during the stimulus-driven market boom. China added nearly 240 billionaires – twice as many as the US – but late that same year Ma made a speech that helped bring this party to a halt. In a guarded but unmistakable critique, Ma questioned the direction of Communist party rule, warning that overregulation threatened to slow tech innovation, and that Chinese banks suffered from "pawshop thinking".

State retaliation was swift. Alibaba's share price collapsed. Ma tumbled down the rich lists and dropped out of public view. Early the next year, Xi launched his common prosperity campaign and the crackdown spread to any company deemed out of step with its egalitarian values. In this new era, it's dangerous to get too rich. Stories abound of the state launching investigations against this business figure or that financier. The pressure is drying up venture capital funds, scaring the young

away from lucrative professions such as investment banking. The number of millionaires leaving China has been rising and peaked last year at 15,000.

The private sector is in retreat. Since 2021, the stock market has been sliding, but state companies have grown their share of total market cap by more than a third to nearly 50 per cent. China now has the world's only major stock market in which state-owned companies are valued on par with those in the private sector. Individual fortunes have shrunk dramatically over the past three years; the number of billionaires has fallen 35 per cent in China, even as it rose 12 per cent in the rest of the world.

China's super-rich increasingly choose to lie low. Become the richest tycoon in the US and you might launch your own space programme. In India, you might throw gazillion-dollar weddings for your children. In China, you might look for a way to lose your new title – and the target on your back.

The writer is chair of Rockefeller International. His latest book is 'What Went Wrong With Capitalism'

Starmer must articulate the government's purpose

John McTernan

As the Labour party heads to its conference – less than 100 days after a landslide victory in the general election – ministers are dogged by the furore over dropping the winter fuel allowance for more than 9mn pensioners.

This row has rumbled on since Rachel Reeves announced the cut in her Commons statement on July 29. Judging by Labour MPs' inboxes, anger from and on behalf of pensioners is not abating. And it is the backdrop against which all other issues are being judged. Would "Goonergate" and the other donations to Sir Keir Starmer bite so hard if his government weren't taking hundreds of pounds from pensioners this winter?

There are good arguments for targeting the winter fuel allowance on those in need. What is most interesting is that Labour has declined to make them. Instead, the party line is a version of Reeves in July: "Let me be clear, this is not a decision I wanted to make."

The problem with that statement goes to the heart of political leadership. When a party is elected on a one-word platform of "Change", the electorate want to see it rather than hear: "Treasury says no." And while most voters don't understand the details or intricacies of public finances, they sense that a saving of £1.4bn is money that can be found in other ways in a budget of more than a trillion pounds. When they hear no better arguments than "we don't want to do this", they become even less sympathetic to the government.

What is at stake over this issue and

Labour's mandate at the election was to rebuild UK public services, not fix the public finances at any cost

what needs to be set out politically, practically and rhetorically in the speeches of Reeves and Starmer at the conference this week is: what is the project of the Labour government? It has to be more than balancing the books – if the country had wanted that, they would have appointed book-keepers to take over from the Tories.

Labour's five national missions, and Starmer's promise of a decade of national renewal, sketched out that broader project during the election. But, apart from Ed Miliband's dynamism on the green transition and its part in economic renewal, there have been few attempts to bring actions, politics and narrative together in the way the missions envisage. Achieving the fastest growth in the G7 is an ambitious, mobilising ambition. But Labour can't cut its way there – it needs a plan.

So far that plan has been residualised to "things will get worse before they get better", which is heard by voters as things will definitely get worse – they have a proof point of that in the treatment of pensioners. Where's the hope?

Progressive governments succeed when they own the future and have a vision of how it could be better and fairer: that's what the New Labour slogans meant. Gordon Brown's "prudence with a purpose" got it right (and would be apt for this moment the UK is faced with). The inheritance is tough, rebuilding is imperative, it will take time and effort but there will be a pay-off.

Labour's mandate at the election was to rebuild public services, not to rebuild the public finances at any cost – what a better future would look like must be the red thread running through all Starmer's government says and does.

In the end, the "vision thing" is the difference between leaders and managers. So many things were done badly and incompetently by the last four prime ministers that it must often feel to Labour ministers that refraining from harm is all there is to delivering change. But they also need to do the right thing. That's the message Starmer and Reeves need to put at the heart of their conference, with its slogan "Change begins".

When a government is doing the right thing – by its own values and according to its mandate – then ministers can always make a case and mount a defence, even for controversial decisions. To govern is to choose – but also to fight and win arguments.

The writer is a political strategist at communications agency Burson and former political secretary to Tony Blair

There are no easy answers for US Steel

BUSINESS

Rana Foroohar



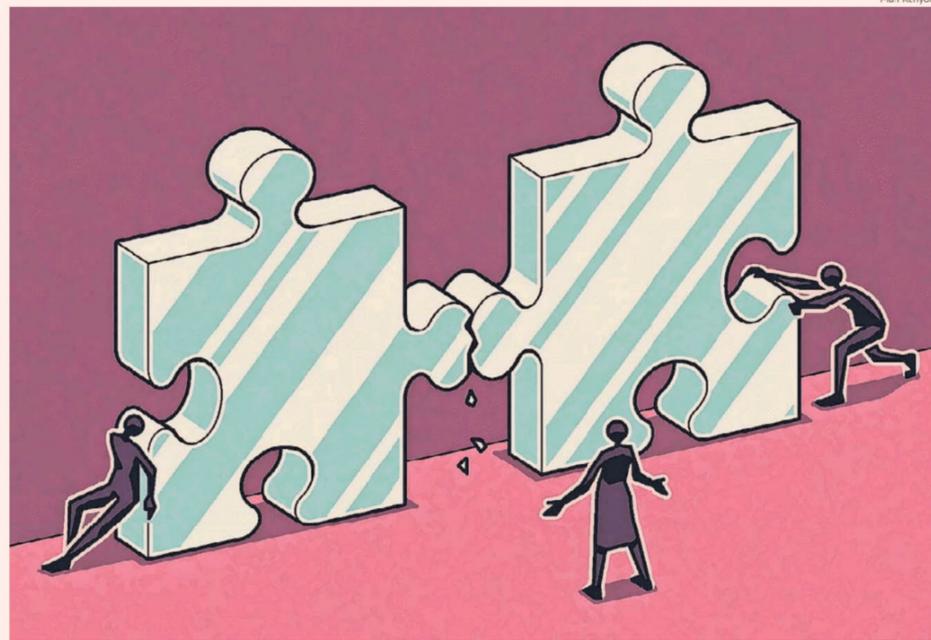
does go through. Both US Steel and Nippon have started lobbying hard against United Steelworkers (USW) and White House opposition, with ads urging Pittsburgh to "keep steel jobs in the steel city".

That puts pressure on Harris, who needs to win Pennsylvania to reach the White House. But it also underscores an important point. While any opposition to the Nippon acquisition is being portrayed as a simple matter of protectionism versus free trade, it's actually about much more: financialisation and corporate hostage taking, the history of foreign M&A and trade dealings with the US, and the actual economics of national security.

As I wrote at the beginning of the year, allies like Japan are understandably confused when the US says it wants to hold them closer as it tries to decouple from China, and then opposes deals like Nippon's. But it's also true that the devil is in the details – and in this case, full of problematic ones.

Take Burrirt's \$70mn potential payout, which prompted one union adviser to suggest putting a man dressed as "Rich Uncle Pennybags" from the Monopoly board game on Pittsburgh street corners in protest. It's just one example of the financialisation at US Steel (it has leveraged up in recent years) which is part of what led to the buyout in the first place.

Burrirt has a major financial interest in the transaction going through, but so does Nippon. If the deal fails to get regulatory approval, Nippon would have to



pay a reverse termination fee to US Steel of \$565mn. No wonder both companies have gone to the mat.

Nippon has committed to no lay-offs and no plant closings for at least two years as a result of the acquisition, and says it will put money into the operation in Pittsburgh's Mon Valley. Still, it's worth pointing out that its initial interest was only in buying US Steel's non-union Arkansas operations, including cheaper to operate mini-mills.

Then, there's the challenge of what would happen if investment and pension promises made today change in the future. There's a long history of such promises going pear-shaped in cross-border mergers, from Daimler's refusal to stay neutral in Mercedes union organising drives in the US to the

Opposition to the Nippon acquisition is about much more than protectionism versus free trade

current issues between the UAW and Stellantis, which is backing away from previous investment promises due to changing "market conditions."

Nippon has consented to jurisdiction in US courts if conflicts arise. But labour advocates worry that without legal reach to the parent company in Japan, that might not help enough. According to the USW, enforcing a judgment against a foreign corporation whose assets are not in the United States would be too challenging and complicated to ensure their ability to collect fully and promptly. Anyone who's dealt with a cross-border dispute knows that's very likely true.

Protection of union jobs is a big part of this story. But it's also about protecting integrated steel production in the US. Integrated steel of the sort made in the Mon Valley is used for high quality goods, including military grade equipment. US Steel has no current defence contracts, but the products made in their unionised facilities are the sort used for surge capacity in a time of war. That type of product can't

yet be made in southern mini-mills.

Why should Americans care? Because supply chains can be weaponised and while Japan is an ally, it's also an economic competitor in strategic industries. Nippon helped build China's steel industry and is accused of steel dumping in the US. Some worry that the deal could bring more excess Japanese capacity into the US market in ways that might undermine integrated production.

Can a Japanese player that enjoys state support at home be counted on to raise US domestic steel production in the most strategic areas over the long term? Would Nippon's US subsidiary be willing to bring trade cases that put it in conflict with its parent? Maybe. Maybe not. Either way, enforcing it legally would be all but impossible.

In short, a deal that's being portrayed as a simple matter of politics versus economics is a proxy for many difficult questions. So far, there are no easy answers.

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Why Europe needs a foreign economic policy

POLITICS

Martin Sandbu



trade agreements and direct investment with resource-rich nations, build up stockpiles in selected critical areas, and create industrial partnerships to secure the supply chain of key technologies".

The need for such statecraft goes much further than Draghi's focus on securing critical resources, to green industrial policies broadly and beyond.

For example, the EU's new carbon tariffs have incentivised other jurisdictions to adopt carbon-pricing schemes of their own. Yet this effect, very much in the EU's interest, is an afterthought rather than the policy's principal purpose. (That was to prevent green European industry from being undercut by carbon-intensive imports.) It was more happy coincidence than statecraft.

New EU rulemaking on supply-chain sustainability (over deforestation, for example) has caused diplomatic frictions, with trade partners seeing it as protectionist. This caught Europeans unawares – something a foreign policy perspective could have avoided.

The point is not that such a perspective would or should have tempered the pursuit of domestic goals. On the con-

trary, placing geostrategic considerations at the centre of domestic economic decision-making would more often than not raise the level of ambition.

Take the European Central Bank's work on a digital euro. It has largely focused on effects on the Eurozone's domestic monetary system – which has led to a consensus on tight limits on the digital euro amounts anyone could hold to protect legacy banks' business mod-

Placing geostrategic considerations at the centre of decision-making in each state would raise ambitions

els. A foreign policy perspective would lift the euro's international role and the strategic advantages it could bring. It would thus emphasise that letting foreign users hold ample digital euros easily would encourage euro invoicing in international trade, and tie other economies more strongly to the EU's. Similarly, a foreign policy perspective

would inject much-needed urgency into the projects to unify EU banking and financial markets. National divisions sap Europe's collective economic strength and increase its dependencies on other countries.

The issue of decarbonising Europe's car fleet is where an EU foreign economic policy approach is most starkly needed. It should be obvious that EU countries need a larger inflow of Chinese electric vehicles in the cheaper segment and also sufficiently large domestic market for EU carmakers to confidently make the investments necessary to ramp up their own EV production capacity.

This requires a combination of policies: a managed openness to Chinese imports, a much stronger tilt of consumer subsidy and procurement policies towards EU-produced EVs, and an overall quantitative judgment of how much of each is optimal. Crucially, that judgment must be calibrated against what Beijing is willing to do in return. The obvious asks are for China to use more of its soaring EV production capacity itself and reduce its complicity in Russia's violation of Ukraine's sovereignty.

Such joined-up policymaking is only possible if foreign policy and domestic economic and industrial policy are made as one. Simply put, that means Kaja Kallas – the EU's incoming top foreign policy official – must be involved in decisions about taxation of corporate vehicles, and decision-making on EU's capital markets and banking union must keep foreign ministers in the loop.

The structure of the EU discourages that. Commission president Ursula von der Leyen has tried to overcome this through an extreme centralisation of decision-making, but that is politically unsustainable outside the most acute crises. The make-up of her new commission suggests a welcome attempt to institutionalise joined-up thinking.

But that leaves out national leaders who ultimately hold the most power in the EU. Realising an EU foreign economic policy requires enough national leaders to jointly make economic policy with collective strategic goals in mind. Europe will become strong in national capitals or not at all.

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All foreign policy is in part economic. Most economic policy is also of geostrategic import. These basic facts are well appreciated in Washington and Beijing. Not so in the capitals of Europe.

That is why, of the numerous thoughtful proposals in Mario Draghi's report on European productivity, none is as intriguing or potentially far reaching as his call for a European "foreign economic policy". The very realisation that none exists is a step forward.

What would it mean for the EU to have one? Most obviously, that even domestic economic policy would be made in light of geostrategic goals. Draghi explains such policy as "statecraft... to co-ordinate preferential



Rutherford Hall

It's hard to wear your principles if someone else paid for the suit

WORK & CAREERS

Return to office doctrine may not be all it seems



Emma Jacobs Business Life

Remember the good old days? When office corridors buzzed with the sound of ideas bouncing between senior executives and junior recruits? And the kitchens! New products conceived in the time it took for the kettle to boil. Not to mention all that learning. In the past, a new starter only had to sit within five yards of an experienced colleague to absorb the entire contents of their brain.

Such pre-pandemic nostalgia infused the vision laid out last week by Andy Jassy, chief executive of retailer Amazon, who ordered a full-time return to the office (RTO). In a memo, he said the move would make it easier for staff to "learn, model, practice". It would also "strengthen our culture" while making things like brainstorming "simpler and more effective".

I don't want to rain on anyone's rose-hued parade. But in ancient times — five years ago — employees would also bitch about silos, poor training and productivity. Remember offices on Fridays? No, me neither. What about off-site meetings because headquarters was too stultifying to produce new ideas? Sadly, yes.

Of course, coming together in the



Kenneth Andersson

workplace can spur connections, innovation and learning. But let's not get carried away. The office is not the solution to every workplace problem.

However, some seem to think it is — even if that view is not backed up by evidence. In her new book, *Over Work*, Brigid Schulte describes a leadership "echo chamber". One expert tells her their team "was actually more productive" when working flexibly "not just in terms of hours worked, but literally in output". They can readily demonstrate this to the CEO, but "can't get them to listen because instead they're listening to their fellow CEOs". Other bosses flex RTO mandates to signal muscular leadership: take Elon Musk, who once described "laptop classes" as "living in la-la-land".

Who knew something as boring as an office could become the centre of a culture war? But here we are. When business minister Jonathan Reynolds

“Organisations should be weighing up the factors on evidence, as opposed to just feelings or what they see [others] doing”

said flexible working could enhance UK productivity and opportunities this week, Kemi Badenoch, candidate to be leader of the opposition Conservative party, condemned his sentiment.

Back and forth we go, distorting statistics, trading insults — shirkers on the one side, dinosaurs on the other. Will it never end?

David D'Souza, director of profession at CIPD, the human resources body, says it is a distraction "from critical conversations about productivity, flexibility, job security, fairness, and balance. Organisations should be weighing up the complex factors behind this decision-making on evidence, as opposed to just feelings or what they see [others] doing." Some HR chiefs tell him of "pressure from the CEO" to see more physical presence on site "due to personal preference or nostalgia".

Yet despite the noise, the reality is leaders are generally pragmatic. Most white-collar employers offer some flexibility over location because it benefits staff and bosses. In the US, 67 per cent did, according to the Flex Index report. In the UK, the CIPD puts it at 83 per cent. A recent study in the *Nature* journal found that "a hybrid

schedule with two days a week working from home does not damage performance" and improved staff satisfaction and retention.

Nick Bloom, one of the authors, told me he was sceptical of Jassy's rationale because it goes against "data from many other studies in other companies showing that once you have three days a week in the office, that generates about the same productivity as five". While two extra days boost facetime, mentoring and culture-building, staff do not have quiet time at home for deep work. Counter to the slacker argument, "we know WFH workers tend to skip lunch and work pretty hard during the day", he said.

Which raises another explanation for Jassy's RTO mandate. In his memo, he outlined a vision of Amazon with "fewer managers [to] remove layers and flatten organisations". Bloom muses that presenteeism might be the best strategy to make this happen.

"Requiring five days in the office will lead to a surge in quits."

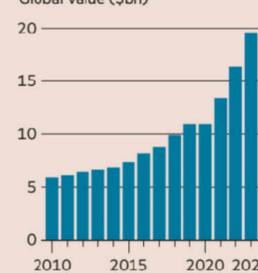
It will be interesting to see how this plays out, but one thing is for certain: Amazon needs home workers. Otherwise, who will be there for the package deliveries?

Lex.

It is all beer and skittles in the no-alcohol drinks space



The no-alcohol market has shown healthy growth



For all the (metaphorical) buzz they generate, alcohol-free beverages are still small beer. But there are signs that this trend has legs.

Brewers and distillers should be rushing to join the party.

The market is in its infancy. No-alcohol beverages only amount to about 1 per cent of global alcohol sales, for a total of roughly \$20bn according to Bernstein Research. Of this, the vast majority is beer.

Producers haven't cracked the recipe for delicious alcohol-free wine. Spirits are a mixed bunch. Those that rely on herbs and berries for flavour, such as gin, can be reproduced with some degree of accuracy. Making a zero-alcohol vodka that is not just water is a tougher task. Technologies, too, are still evolving. Making alcohol-free beer stable enough to survive in draught form is difficult.

But there are signs that the zero-alcohol trend is taking off. Growth is healthy, with average annual volume growth of 9 per cent expected between 2022 and 2026, according to IWSR, compared to a flattish outlook for beer, wine and spirits.

Zero-alcohol beer accounts for more than 10 per cent of sales in Slovakia, Germany and Spain — countries with a serious beer-drinking culture. Industry giants Carlsberg and Heineken have

released zero-alcohol versions of their flagship brands, which account for about 3 per cent of turnover. Campari's Crodino — a no-alcohol aperitif — is standard fare in Italy and has appeared on UK shelves.

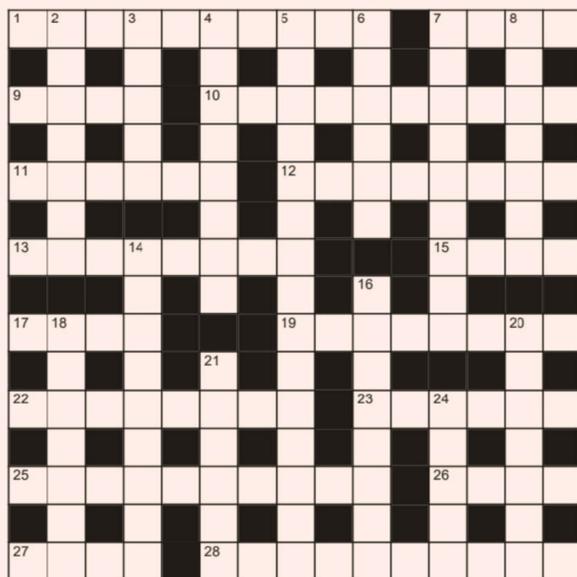
No-alcohol options allow companies to reach new consumers, rather than simply cannibalise existing drinkers. The vast majority of those who consume them also drink traditional beers and spirits. Younger generations, in particular, use alcohol-free alternatives to moderate overall intake. But the zero-alcohol trend also means brewers and distillers can go after those consumers who would otherwise have stuck to orange juice.

In terms of profitability, too, zero alcohol beverages are attractive. They are costlier to make, given the complicated techniques required to remove alcohol and leave behind as much of the flavour as possible. But the products sell at prices similar to their alcoholic counterparts, and pay no excise duty, which in the UK starts at £21 per litre of alcohol in the product. That should boost margins.

The ingredients are falling into place. A combination of better drinks and the trend towards more moderate alcohol consumption suggest the time has come for alcohol-free drinks. Expect beverage companies to put some left behind them.

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ACROSS

- Illness mostly found in horses spreads (10)
- Found singer in audition (4)
- Show off dress twirling round (4)
- Crumpled old tenner secures one cut of meat (10)
- Guy consuming books for role (6)
- Detective shot following arrest to overturn organised crime (8)
- Occupy gathering group with a craft collection (8)
- Sit on free pew away from outsiders (4)
- Regularly picked Apple social media site as top (4)
- Performing trio seem boring (8)
- Land snake constricts tense bird (8)
- Dire amateur gently boxes (6)
- Got trousers on the Parisian wearing just pants? (10)
- Deserve attention with first from Newcastle (4)
- Adorn part of skateboard (4)
- Shrewd holding spear in domineering manner (10)

DOWN

- Type of post Irishman Brian unwrapped then erected (7)
- Small child's pronounced strength (5)
- Coffee line adopted by railway recently (8)
- Fellow and park officer after beginning to track animal keep in touch (4,2,1,8)
- Not married, appearing to be discerning (6)
- Learner taken in by deceptive person in attempts to win games (9)
- Mixed slammer with wine (7)
- Taxes kept being changed — OMG, WTF?! (9)
- Crushed, Edward is forbidden from socialising (8)
- Irreverent teacher contracted again (7)
- This writer's beginning to refine aluminium ore (7)
- Trainees dance at the wings in musical show (6)
- New information intercepted by soldiers (5)

Solution 17,849



JOTTER PAD



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