Amazon to face major EU antitrust probe as tech giants grilled on competition

EMILY NICOLLE ..............................................
@emilyjnicolle

AMAZON is said to be facing a full-scale competition probe by the EU regulator as soon as this week, potentially paving the way for the continent’s next multi-billion-dollar fine against a US tech giant.

EU competition commissioner Margrethe Vestager is preparing to hit the e-commerce behemoth with a formal investigation following a preliminary inquiry in September last year. Bloomberg reported late last night that the investigation will centre on whether Amazon uses its troves of sales data to unfairly prioritise its own products over smaller sellers on its online marketplace. Vestager has already levied multiple major fines against Silicon Valley tech firms in recent years, serving Google with a number of record penalties and forcing Apple to repay Ireland billions of euros in back taxes.

US President Donald Trump attacked the commissioner last month over her pursuit of the country’s largest companies, tweeting that she “hates the US”.

A commission spokesperson declined to comment, while Amazon did not respond to a request for comment. The report came as Amazon faced heavy questioning from US politicians on its compliance with antitrust regulation, particularly regarding its treatment of third-party sellers on its platform. Executives from Facebook, Google and Apple also testified at the hearing, each scrutiny falling on all four tech firms’ strategies on acquiring competitor startups. At a separate hearing, US senators called Facebook’s recent plan to launch a cryptocurrency “delusional” given its track record on data privacy.

STERLING DIVES ON TORY TO DEAL TALK

HARRY ROBERTSON ......................................
@henrygrobertson

THE POUND tumbled to fresh two-year lows against the dollar yesterday after the two candidates to replace Theresa May pledged to abandon the controversial Northern Ireland backstop proposal, ramping up the chances of a no-deal Brexit.

Boris Johnson and Jeremy Hunt have both said they will ditch the backstop, a key part of May’s Brexit deal designed to stop a hard border returning to the island of Ireland, even if the EU proposed a time limit to it.

Johnson and Hunt’s statements during a Monday night debate were seen by traders as increasing the risk of a clash with Brussels and a turbulent no-deal outcome.

Sterling dropped 0.88 per cent against the euro to €1.107. During intraday trading it even fell below the level reached in a so-called flash crash the start of the year.

It was dragged down further by reports yesterday evening that Johnson, front-runner to become the next prime minister, is considering shutting down parliament at the end of October to stop MPs blocking a no-deal Brexit.

According to Sky News, Johnson would schedule a Queen’s Speech for the beginning of November. MPs are traditionally sent home for up to a fortnight before the speech, meaning they would not be in session to block a no-deal Brexit on 31 October. Senior Remain-backing Tories are now openly flirting with the prospect of voting against the government in a confidence motion, something former attorney general Dominic Grieve said he would do “with a heavy heart”.

Brexit induced falls mean the pound has now been the worst performing currency against the dollar over the past year. Even yesterday’s release of better-than-expected wage growth figures could not arrest the pound’s fall.

Investor chief economist Philip Shaw said the falling pound was “an indication that in terms of currency drivers, domestic fundamentals have once again begun to give way to Brexit issues”.

Craig Jervis, senior market analyst at foreign exchange company Oanda, said: “Traders are finding it hard to look past no-deal risks or at the very least a delay and hard Brexit.”

Traders have been dumping sterling as the chances of a no-deal Brexit have risen in recent weeks. Johnson has said he will take Britain out of the EU on 31 October “come what may”.

The pound has fallen one per cent against the dollar over the past month. This is despite being a period of considerable dollar weakness caused by the US Federal Reserve’s hints that it will cut interest rates.

Tory no-deal talk

According to Sky News, Johnson would schedule a Queen’s Speech for the beginning of November. MPs are traditionally sent home for up to a fortnight before the speech, meaning they would not be in session to block a no-deal Brexit on 31 October. Senior Remain-backing Tories are now openly flirting with the prospect of voting against the government in a confidence motion, something former attorney general Dominic Grieve said he would do “with a heavy heart”.

Brexit induced falls mean the pound has now been the worst performing currency against the dollar over the past year. Even yesterday’s release of better-than-expected wage growth figures could not arrest the pound’s fall.

Investor chief economist Philip Shaw said the falling pound was “an indication that in terms of currency drivers, domestic fundamentals have once again begun to give way to Brexit issues”.

Craig Jervis, senior market analyst at foreign exchange company Oanda, said: “Traders are finding it hard to look past no-deal risks or at the very least a delay and hard Brexit.”

Traders have been dumping sterling as the chances of a no-deal Brexit have risen in recent weeks. Johnson has said he will take Britain out of the EU on 31 October “come what may”.

The pound has fallen one per cent against the dollar over the past month. This is despite being a period of considerable dollar weakness caused by the US Federal Reserve’s hints that it will cut interest rates.

The pound has fallen one per cent against the dollar over the past month. This is despite being a period of considerable dollar weakness caused by the US Federal Reserve’s hints that it will cut interest rates.

Amazon to face major EU antitrust probe as tech giants grilled on competition

EMILY NICOLLE ..............................................
@emilyjnicolle

AMAZON is said to be facing a full-scale competition probe by the EU regulator as soon as this week, potentially paving the way for the continent’s next multi-billion-dollar fine against a US tech giant.

EU competition commissioner Margrethe Vestager is preparing to hit the e-commerce behemoth with a formal investigation following a preliminary inquiry in September last year. Bloomberg reported late last night that the investigation will centre on whether Amazon uses its troves of sales data to unfairly prioritise its own products over smaller sellers on its online marketplace. Vestager has already levied multiple major fines against Silicon Valley tech firms in recent years, serving Google with a number of record penalties and forcing Apple to repay Ireland billions of euros in back taxes.

US President Donald Trump attacked the commissioner last month over her pursuit of the country’s largest companies, tweeting that she “hates the US”.

A commission spokesperson declined to comment, while Amazon did not respond to a request for comment. The report came as Amazon faced heavy questioning from US politicians on its compliance with antitrust regulation, particularly regarding its treatment of third-party sellers on its platform. Executives from Facebook, Google and Apple also testified at the hearing, each scrutiny falling on all four tech firms’ strategies on acquiring competitor startups. At a separate hearing, US senators called Facebook’s recent plan to launch a cryptocurrency “delusional” given its track record on data privacy.

Amazon to face major EU antitrust probe as tech giants grilled on competition

EMILY NICOLLE ..............................................
@emilyjnicolle

AMAZON is said to be facing a full-scale competition probe by the EU regulator as soon as this week, potentially paving the way for the continent’s next multi-billion-dollar fine against a US tech giant.

EU competition commissioner Margrethe Vestager is preparing to hit the e-commerce behemoth with a formal investigation following a preliminary inquiry in September last year. Bloomberg reported late last night that the investigation will centre on whether Amazon uses its troves of sales data to unfairly prioritise its own products over smaller sellers on its online marketplace. Vestager has already levied multiple major fines against Silicon Valley tech firms in recent years, serving Google with a number of record penalties and forcing Apple to repay Ireland billions of euros in back taxes.

US President Donald Trump attacked the commissioner last month over her pursuit of the country’s largest companies, tweeting that she “hates the US”.

A commission spokesperson declined to comment, while Amazon did not respond to a request for comment. The report came as Amazon faced heavy questioning from US politicians on its compliance with antitrust regulation, particularly regarding its treatment of third-party sellers on its platform. Executives from Facebook, Google and Apple also testified at the hearing, each scrutiny falling on all four tech firms’ strategies on acquiring competitor startups. At a separate hearing, US senators called Facebook’s recent plan to launch a cryptocurrency “delusional” given its track record on data privacy.

Amazon to face major EU antitrust probe as tech giants grilled on competition

EMILY NICOLLE ..............................................
@emilyjnicolle

AMAZON is said to be facing a full-scale competition probe by the EU regulator as soon as this week, potentially paving the way for the continent’s next multi-billion-dollar fine against a US tech giant.

EU competition commissioner Margrethe Vestager is preparing to hit the e-commerce behemoth with a formal investigation following a preliminary inquiry in September last year. Bloomberg reported late last night that the investigation will centre on whether Amazon uses its troves of sales data to unfairly prioritize its own products over smaller sellers on its online marketplace. Vestager has already levied multiple major fines against Silicon Valley tech firms in recent years, serving Google with a number of record penalties and forcing Apple to repay Ireland billions of euros in back taxes.

US President Donald Trump attacked the commissioner last month over her pursuit of the country’s largest companies, tweeting that she “hates the US”.

A commission spokesperson declined to comment, while Amazon did not respond to a request for comment. The report came as Amazon faced heavy questioning from US politicians on its compliance with antitrust regulation, particularly regarding its treatment of third-party sellers on its platform. Executives from Facebook, Google and Apple also testified at the hearing, each scrutiny falling on all four tech firms’ strategies on acquiring competitor startups. At a separate hearing, US senators called Facebook’s recent plan to launch a cryptocurrency “delusional” given its track record on data privacy.

Amazon to face major EU antitrust probe as tech giants grilled on competition

EMILY NICOLLE ..............................................
@emilyjnicolle

AMAZON is said to be facing a full-scale competition probe by the EU regulator as soon as this week, potentially paving the way for the continent’s next multi-billion-dollar fine against a US tech giant.

EU competition commissioner Margrethe Vestager is preparing to hit the e-commerce behemoth with a formal investigation following a preliminary inquiry in September last year. Bloomberg reported late last night that the investigation will centre on whether Amazon uses its troves of sales data to unfairly prioritize its own products over smaller sellers on its online marketplace. Vestager has already levied multiple major fines against Silicon Valley tech firms in recent years, serving Google with a number of record penalties and forcing Apple to repay Ireland billions of euros in back taxes.

US President Donald Trump attacked the commissioner last month over her pursuit of the country’s largest companies, tweeting that she “hates the US”.

A commission spokesperson declined to comment, while Amazon did not respond to a request for comment. The report came as Amazon faced heavy questioning from US politicians on its compliance with antitrust regulation, particularly regarding its treatment of third-party sellers on its platform. Executives from Facebook, Google and Apple also testified at the hearing, each scrutiny falling on all four tech firms’ strategies on acquiring competitor startups. At a separate hearing, US senators called Facebook’s recent plan to launch a cryptocurrency “delusional” given its track record on data privacy.
Gobbetti’s revives puts Burberry back on trend

Burberry, the iconic British fashion house, is finally in vogue again as restructuring efforts start to pay off following a turbulent few years. Shares in the luxury retailer rallied as much as 13 per cent yesterday after it reported a four per cent increase in first-quarter same-store sales. The share price hike adds to the 13 cent gain already made over the past six months and indicates that the turnaround plan led by new chief executive Marco Gobbetti and Italian designer Riccardo Tisci is beginning to deliver results.

Burberry is fighting back from a sales slump that began when celebrated chief executive Angela Ahrendts was poached by Apple in 2014. She was replaced by Burberry’s creative lead Christopher Bailey – a highly regarded designer in fashion circles but, as it turned out, a less skilled CEO. Ahrendts, along with Bailey, was credited with restoring Burberry’s image from a downmarket and undesirable brand to one with high fashion credibility and a long list of A-list celebrity fans. She was paid a whopping £17m in 2012. However, during her eight-year stint as leader, the company’s share price also tripled in value. Bailey’s appointment as CEO sparked a shareholder revolt over his own chief’s pension. While citing concerns over the size of the pay policy at its annual meeting in May, per cent voted against the lender’s new shareholders this week after almost 40 have reacted angrily and vowed to have the next prime minister the salary threshold to be lowered from £30,000 to £20,000. They also requested the government extend a plan to let low-skilled workers move to Britain for one year to help ease the transition for companies that rely on labour from the EU. The transition period should last two years, the groups said.

However, some have criticised the scheme as workers would not be able to access public funds during the 12 months and could not stay after wards. Others said the government was leaning into the business community and not carrying out voters’ wishes to reduce immigration. Employers have said sectors such as retail and care need low-skilled workers to keep going. For instance, over 20 per cent of jobs in retail are paid below £30,000, the business groups said today. This “highlights the risk in setting the future level too high”, they said, as lower-paying sectors would bestarved of workers with wide knock-on effects to follow. Neil Carberry, chief executive of the REC, said today: “A healthy UK economy will need people coming from abroad to contribute at all skill levels, across a wide range of sectors.” He added that the group’s proposals will “remove some of the uncertainty around access to labour that Brexit is exacerbating”.

The Home Office did not respond to a request for comment. The government white paper said: “Employers have some extent become reliant on lower-skilled workers from the EU for certain jobs.” It added that leaving the bloc is a chance to change this. Yesterday’s responses follow research by the British Chambers of Commerce and jobs website Indeed, which earlier this month showed more than half of British businesses with staff from abroad would be hurt by the £30,000 baseline. In a report on a joint survey, the two organisations said the UK’s new immigration system must allow businesses to “access non-UK workers quickly and cost-effectively”.

Businesses unite against new immigration plans

Shares indicate the turnaround plan is beginning to deliver results

HARRY ROBERTSON
@harryrobertson
A GROUP of business organisations representing thousands of firms have demanded the next prime minister change proposed post-Brexit immigration plans to avoid worsening “chronic skills and labour shortages”. The groups, among them business membership organisation London First, the British Retail Consortium, and the Recruitment and Employment Confederation (REC), highlighted a number of issues they have with the government’s immigration white paper.

The long-awaited white paper, a document released in December that sketched out post-Brexit immigration plans, said the new system will let only highly-skilled and skilled workers come to the UK after Brexit. One of its central measures is a rule that says people will be able to move to Britain for longer periods only if they have secured a job that will pay £30,000 or more.

In a letter to Boris Johnson and Jeremy Hunt, one of whom will become PM this month, the group of 11 business and education bodies today called for the salary threshold to be lowered from £30,000 to £20,000. This would allow the government to extend a plan to let low-skilled workers move to Britain for one year to help ease the transition for companies that rely on labour from the EU. The transition period should last two years, the groups said.

However, some have criticised the scheme as workers would not be able to access public funds during the 12 months and could not stay after wards. Others said the government was leaning into the business community and not carrying out voters’ wishes to reduce immigration. Employers have said sectors such as retail and care need low-skilled workers to keep going.

For instance, over 20 per cent of jobs in retail are paid below £30,000, the business groups said today. This “highlights the risk in setting the future level too high”, they said, as lower-paying sectors would be starved of workers with wide knock-on effects to follow.

Domino’s Pizza has reported its slowest quarterly US sales growth in nearly seven years amid increasing competition from delivery companies. Investors are fretting over market share, creating competition for the roughly 6,000 Domino’s US outlets.

United Airlines cuts flights on boeing ban

United Airlines will cut back extra flying this year because of the grounding of Boeing’s 737 Max, though the carrier still expects profits to climb. The firm said it expects to boost capacity by up to four per cent this year, a percentage point less than previously planned.
A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banknote and passport producer De La Rue faces fresh boardroom disruption after a City investor is said to have threatened to force its chairman out.

Crystal Amber activist fund has written to the company, informing the board that it plans to force an EGM unless chairman Philip Rogerson resigns by its annual shareholder meeting later this month, according to Sky News.

Last month, Rogerson said he would throw in the towel once he had brought in a replacement for chief executive Martin Sutherland.

Rogerson and Sutherland are set to leave the after a torrid period. Last year, the firm lost the contract to make British passports after Brexit. It has endured a spate of profit warnings and is still chasing an £18m bill which the Venezuelan government has not yet paid.

The firm’s shares have plummeted nearly 45 per cent in the last year. Crystal Amber and other investors are concerned this leaves the door open to a takeover bid.

Crystal Amber last month branded De La Rue’s board “clueless” and described its difficulties as “entirely self-inflicted”.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.

Investor ‘threatens to oust chair’ at troubled passport printer De La Rue

Banking giants cut forecasts as earnings surprise

A trio of Wall Street banking titans trumped analyst estimates yesterday, but left investors with a mixed outlook as the US corporate earnings season got into full swing.

Despite JP Morgan, Goldman Sachs and Wells Fargo all beating several industry expectations, a handful of disappointing figures held back much cause for celebration.

Shares in JP Morgan Chase, the world’s largest bank, closed up 1.07 per cent last night after posting better-than-expected earnings, although the firm also slashed its 2019 forecast for net interest income from $58bn (£46bn) to $57.5bn.

Meanwhile, a strong showing in equities and lending meant Goldman Sachs reported earnings per share of $5.81, beating Refinitiv forecasts of $4.89 and lifting shares 1.86 per cent.

Wells Fargo, which has been mired in recent years by a swathe of high-profile scandals, also outperformed.
Going on holiday?  
No fees overseas.

Voila!

No foreign transaction fees when you use your Halifax Clarity Credit Card abroad.

Halifax makes it happen.

Representative 19.9% APR variable
Unemployment at 45-year low as wages tick up

HARRY ROBERTSON
@henrygrobertson
JUST 3.8 per cent of working-age Brits were out of a job in the three months to the end of May, according to official figures, the lowest figure since the mid-1970s.

High numbers of people in work caused employers to raise wages to attract new talent, pushing weekly earnings by 3.6 per cent in the same period compared with a year earlier, the Office for National Statistics (ONS) said yesterday.

The figures are the latest sign that the labour market has shrugged off Brexit worries and remains a bright spot in the economy. With economic growth slowing, the unemployment rate continues to defy expectations.

Rising household incomes have helped to keep the economy on its feet in recent months as political uncertainty and a global slowdown has caused business investment to shrink and trade to suffer.

With inflation taken into account, UK workers’ pay grew 1.7 per cent in the three months to the end of May compared to a year earlier, the figures showed, meaning they could buy more with their wages.

“Regular pay is growing at its fastest for nearly 11 years in cash terms, and its quickest for over three years after taking account of inflation,” said ONS deputy head of labour market statistics Matt Hughes.

However regular pay – which does not include bonuses – was still lower than before the 2008 to 2009 recession, the ONS said.

Deloitte chief economist Ian Stewart said: “The jobs market seems to have defied gravity, with wages rising and unemployment falling even as growth has slowed. The big question is how long can that last. With job vacancies edging lower and firms more cautious on hiring, the pace of job creation could slow from here.”

Laterooms.com owner hoists for sale sign after appointing KPMG

JESS CLARK
@jclarkjourno
THE OWNER of hotel booking website Laterooms.com has reportedly hoisted a for sale sign, after it appointed advisers to track down additional investment.

Malvern Group, which is 49 per cent owned by Indian travel specialists Cox & Kings with the rest owned by private investors, has appointed advisers from KPMG, Sky News reported.

Malvern confirmed that the professional services firm has been appointed to identify additional investment.

Laterooms.com and business client platform Superbreak, could be put on the market, according to the broadcaster.

Ryanair warns of summer service cuts, blaming Boeing 737 Max jet grounding

ALEX DANIEL
@alexmdaniel
RYANAIR yesterday warned it had been forced to reschedule its summer 2020 plans due to a delay in the delivery of Boeing 737 Max planes.

The budget flyer had ordered 58 Max 200 models from Boeing in time for summer 2020, but now expects just 30 to be ready by then.

That will more than halve Ryanair’s growth rate next summer, from an expected seven per cent to just three per cent. Passenger numbers will also fall from 162m to 157m for the year to March 2021.

As a result, Ryanair warned it will have to make “some base cuts and closures”, not only for summer 2020 but also for winter this year.

“We are starting a series of discussions with our airports to determine which of Ryanair’s underperforming or loss-making bases should suffer these short-term cuts and/or closures from November 2019,” boss Michael O’Leary warned.

The 737 Max 200s Ryanair has ordered are a variant of the 737 Max aircraft the US banned from skies following two fatal crashes linked to issues with the model’s anti-stall software. These models may not be cleared to fly even as the US lifts its ban.

“Ryanair yesterday warned it had been forced to reschedule its summer 2020 plans due to a delay in the delivery of Boeing 737 Max planes.”

British Business Bank hails rise in company financing

SEBASTIAN MCCARTHY
@SebMcCarthy
THE UK’s state-owned economic development bank stepped up its financing of businesses over the past year, according to its annual report.

The British Business Bank (B&b) supported nearly 90,000 firms in the UK with £6.6bn of finance over the course of 12 months, marking a sharp increase of 27 per cent when compared with the previous year.

Chief executive Keith Morgan said: “The last five years have seen the BBB build a strong track record of delivering carefully-targeted programmes to improve small business finance markets. We are well placed to support smaller businesses across the UK at every stage of development now and in the future.”

Over 90 per cent of the finance the bank supported was delivered through smaller, newer or alternative finance providers, it said.

According to the report, the bank returned a profit before tax of £81.3m.
Arcadia hit with legal challenge over restructure

SIR PHILIP Green’s Arcadia retail empire has been hit with a legal challenge from a US landlord over the Topshop owner’s restructuring proposals.

US property company Vornado, which owns two Topshop stores in New York, has launched an offensive against the two of the retailer’s seven recently-agreed company voluntary arrangements (CVAs).

Green squeezed through the CVAs at a shareholder vote last month, narrowly avoiding a collapse into administration.

Under the terms of the arrangement, the retail giant will press ahead with 23 store closures and rent reductions of up to 70 per cent at nearly 200 branches in the UK.

Arcadia’s US business has gone into administration, which could lead to the closure of 11 Topshop and Topman stores in the country. The administration is separate from the CVAs, but falls under the same restructuring plan.

Arcadia said yesterday morning it had received challenges from 480-486 Broadway and TM0 1 – both legal entities of Vornado.

The company said the challenges were “entirely without merit”.

Yesterday’s announcement came after a legal challenge brought by Vornado and four other property companies was dismissed.

The landlords accused Arcadia of “engaging in a convoluted scheme to deprive the... US landlords of their bargained-for contractual rights by manipulating and exploiting a private, little-used out-of-court process in the UK known as a company voluntary arrangement”, the Financial Times reported.

Arcadia chief executive Ian Grabiner said: “These challenges are entirely without merit and we will vigorously defend them.”

Nick Boles, a former enterprise minister has said he is open to giving more time to Britain to work starts now.” she said.

“It is a big responsibility and my confidence you placed in me is trust you placed in me is entirely without merit. Von der Leyen will be in charge of the European Union’s trade negotiations.

The outgoing German defence minister has said she is open to negotiating its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

Ursula von der Leyen narrowly secures EU Commission victory

ALEX DANIEL

THE EUROPEAN Parliament yesterday voted German conservative Ursula von der Leyen as the first female EU Commission president.

Von der Leyen, a close ally of German Chancellor Angela Merkel, won 383 votes, securing a slim 52 per cent to 48 per cent victory margin.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.

The trust you placed in me is confidence you placed in Europe.

“Your confidence in a united and strong Europe, from east to west, from south to north,” she said.

“I is a big responsibility and my work starts now.”

The outgoing German defence minister has said she is open to giving more time to Britain to negotiate its exit from the bloc.
Hundreds of millions of pounds were wiped off the value of Irn-Bru maker AG Barr's share price yesterday after the company issued a profit warning.

The Scottish-based fizzy drinks maker warned that profit for the full-year would slump 20 per cent, after predicting the firm was unlikely “to recover fully from the volume impact in the first five months of this year”.

AG Barr's share price closed down 28.3 per cent yesterday.

Citing “brand challenges” in its Rockstar energy and Rubicon juice drinks, as well as disappointing weather, the firm said revenue for the 26 weeks to 27 July would fall by 10 per cent to £123m.

The warning comes after a tricky 12 months which has seen AG Barr hit by a soft drinks tax and CO2 shortages.

AJ Bell investment director Russ Mould said: “One can excuse the drinks company for not selling as many products in these conditions, however specific brand challenges with Rockstar and Rubicon are slightly concerning.”

Boss Roger White said: “Weather comparisons and trading, particularly in the impulse on-the-go market, have been even tougher than expected which, along with some brand specific challenges, have led to a short-term impact on our financial performance.”

The Advertising Standards Authority has banned an advert promoting Aldi’s own-brand champagne after Tesco complained it was misleading.

In the advert, the German discount supermarket claimed customers could save 45 per cent on a selection of products when compared to rival Tesco.

Tesco’s anger bubbled over, saying the choice of products unfairly skewed the price comparison in Aldi’s favour.

A big ISA starts with a little decision – how much would you like to invest? With Fidelity, you could put aside a lump sum, start making regular contributions or even do a bit of both. Whatever works best for you. Open a Stocks and Shares ISA with us today and you’ll get:

- Lots of choice, as we offer a wide range of funds from many leading managers, including Fidelity, plus shares, investment trusts and ETFs.
- Guidance and support, with easy-to-use investment selection tools, plus the latest market views and investment insights from our experts.
- Great value, thanks to our low charges.

Open a Stocks and Shares ISA today for a chance to win

For a chance to win £1,000 Amazon vouchers, all you have to do is open an ISA with us and set up a regular savings plan for at least £100 a month or make an investment of £1,000 or more, before 30 September 2019. T&Cs apply.

The value of investments can go down as well as up, so you may get back less than you invest. Tax treatment depends on individual circumstances and all tax rules may change in the future. Fidelity’s guidance service is not a personal recommendation. If you are unsure about the suitability of an investment, you should speak to an authorised financial advisor.

Start building up your ISA today.

Visit fidelity.co.uk or call 0800 368 1720.
OUR BEST SMARTPHONES. NOTHING’S CHANGED.

PLUS FREE
Huawei Watch GT
WORTH £170
TERMS APPLY*

SECURITY UPDATES AS NORMAL
USE OF TOP APPS AS NORMAL
USE AS NORMAL
2-YEAR WARRANTY AS NORMAL
Billionaire sells huge stake in Petropavlovsk

AUGUST GRAHAM

THE BIGGEST investor in London-listed miner Petropavlovsk has sold his 22 per cent stake in the company as he tries to raise money for other projects.

Kenges Rakishev, a Kazakh billionaire with investments in airports and mining, bought his 22 per cent stake from Russian billionaire Viktor Vekselberg in December that year. He pressured the company to reappoint Maslovskiy, who returned to the board in July 2018. However, the Takeover Panel is currently investigating whether Rakishev collaborated with fellow shareholders Cabs and Slevin to bring Maslovskiy back.

Between them, the three held more than 30 per cent of Petropavlovsk. If they acted together that would have sparked Takeover Panel rules which would force them to bid for the remaining shares.

The news follows years of drama at the Russia-based gold miner.

Rakishev was instrumental in bringing back the company’s former chief executive Pavel Maslovskiy last year. Maslovskiy left the company in the middle of 2017 after clashes between shareholders.

Rakishev, who made much of his money from investing in technology startups, bought his 22 per cent stake from Russian billionaire Viktor Vekselberg in December that year.

He pressed the company to reappoint Maslovskiy, who returned to the board in July 2018. However, the Takeover Panel is currently investigating whether Rakishev collaborated with fellow shareholders Cabs and Slevin to bring Maslovskiy back.

Between them, the three held more than 30 per cent of Petropavlovsk. If they acted together that would have sparked Takeover Panel rules which would force them to bid for the remaining shares.

The news follows years of drama at the Russia-based gold miner.

Rakishev was instrumental in bringing back the company’s former chief executive Pavel Maslovskiy last year. Maslovskiy left the company in the middle of 2017 after clashes between shareholders.

Rakishev, who made much of his money from investing in technology startups, bought his 22 per cent stake from Russian billionaire Viktor Vekselberg in December that year.

He pressured the company to reappoint Maslovskiy, who returned to the board in July 2018. However, the Takeover Panel is currently investigating whether Rakishev collaborated with fellow shareholders Cabs and Slevin to bring Maslovskiy back.

Between them, the three held more than 30 per cent of Petropavlovsk. If they acted together that would have sparked Takeover Panel rules which would force them to bid for the remaining shares.

The news follows years of drama at the Russia-based gold miner.

Rakishev was instrumental in bringing back the company’s former chief executive Pavel Maslovskiy last year. Maslovskiy left the company in the middle of 2017 after clashes between shareholders.

Rakishev, who made much of his money from investing in technology startups, bought his 22 per cent stake from Russian billionaire Viktor Vekselberg in December that year.

He pressured the company to reappoint Maslovskiy, who returned to the board in July 2018. However, the Takeover Panel is currently investigating whether Rakishev collaborated with fellow shareholders Cabs and Slevin to bring Maslovskiy back.

Between them, the three held more than 30 per cent of Petropavlovsk. If they acted together that would have sparked Takeover Panel rules which would force them to bid for the remaining shares.
The value of your investment can fall as well as rise, you might not get back all that you invested we would recommend that you seek advice prior to making any decision around transferring an existing pension. You can normally only access the money from age 55. (Age 57 from 2028)

Up to £4,000 cashback

Transfer your pension to an ii SIPP

Minimum transfer value of £25,000 eligibility and terms apply

ii.co.uk/transfer-cashback-offer
Out with franchise and in with the ‘Fat Controller’, says UK rail review leader

ALEXANDRA ROGERS
@city_amrogers
THE UK’s rail franchising system has “had its day”, the man in charge of reviewing Britain’s railways said yesterday, as he called for a “Fat Controller”-type figure to oversee day-to-day operations.

Former British Airways chief executive Keith Williams, who was asked to lead a review in the wake of last year’s timetable chaos, said the franchising model needed to be replaced by a “new commercial model” that worked in the interests of passengers.

He suggested an independent and “arms-length” body could be created to act as a guiding mind for the railway, with the government taking less of a day-to-day role in the running of it.

The Fat Controller is a fictional character from Thomas the Tank Engine who ran the story’s railways single-handedly.

“Giving a speech in Bradford yesterday, Williams said: “What worked in the 25 years after privatisation is now holding the sector back.”

The review’s findings are due to be published in autumn.

The Fat Controller, Sir Topham Hat

HS2 launches request to break contract deadlock

ALEXANDRA ROGERS
@city_amrogers
HS2 HAS asked the High Court to allow it to push on with the construction of one of its London stations despite an ongoing legal challenge from engineering giant Bechtel.

HS2 Limited, which is overseeing the proposed £6bn railway linking London to the north, has applied to lift the “automatic suspension” that is preventing it from signing a £1.3bn contract with a Balfour Beatty-led consortium for its station at Old Oak Common in north-west London.

An automatic suspension, which acts as an injunction, means that when court proceedings are brought before

a contract has been signed.

In the legal claim, launched in February, Bechtel alleged that HS2 accepted an “abnormally low” bid from its rival despite acknowledging that the consortium was “severely under-resourced and a real risk to the safe and timely completion and handover”.

A hearing to consider HS2’s application to lift the automatic suspension has been set for 3 September, while a full trial to consider Bechtel’s allegations has been set for next October.

This means that unless the court lifts the suspension, the ban on construction of the station could be in place for a further 18 months, which would put the entire project significantly behind schedule.

An HS2 spokesperson said: “Balfour Beatty, Vinci and Systra are a highly experienced team which scored higher than Bechtel in a number of areas, including ensuring value for money for the UK taxpayer.

“We are confident that the construction partner procurement process was robust, and we are seeking to sign contracts with Balfour Beatty/Vinci/Systra as soon as the court will allow.”

Last week transport secretary Chris Grayling was criticised after it emerged he had given Heathrow airport £50m to prepare for HS2, despite the project’s future hanging in the balance while the country awaits a new prime minister.

Ad data platform Near raises $100m to drive global growth

JAMES WARRINGTON
@j_a_warrington
ADVERTISING tech platform Near has secured $100m (£80m) in funding from a London-based private equity firm as it looks to expand its global presence.

The Singapore-headquartered firm said its new funding round, which comes from Great Pacific Capital, will also allow it to roll out a new suite of data products.

Near’s platform uses artificial intelligence to help brands track real-time data from more than 1.6bn monthly users, allowing them to tap into customers’ behaviour offline as well as online.

The firm counts News Corp, Wework and Mastercard among its clients.

“We are humbled that we were able to close one of the largest rounds in our industry, it is a testament to our offering backed by unique data-sets and powerful science,” said Near founder and chief executive Anil Mathews.

Near has enjoyed significant growth since the launch of its flagship data product Allpark.

The firm has received backing from Sequoia Capital and JP Morgan, and the latest funding takes its total raised to $134m.

SUPERCHARGED

Charge points for new homes

UK SPORTS car maker Lotus revealed its pure electric “hypercar” yesterday, the first completely new vehicle to be launched under the stewardship of Chinese firm Geely which bought a majority stake in 2017. The Evija, to be made in Hethel, Norfolk, will have a production run of just 130 cars and will be built from 2020.

The government is already trying to help e-car drivers by reducing the cost of installation by £500.

“With record levels of ultra-low emission vehicles on our roads, it is clear there is an appetite for cleaner, greener transport,” said transport secretary Chris Grayling.

Tesla drops cheapest model and cuts prices to simplify its lineup

YILEI SUN

TESLA has dropped the standard-range variants of its Model X and Model S from its product lineup and adjusted prices across its range, in a sales push that comes days after the US electric carmaker defied expectations to report record deliveries of its vehicles.

To simplify its offerings, the carmaker yesterday limited variants of its Model X sport-utility vehicle and Model S sedan to “Long Range” and the more expensive “Performance”.

Tesla also trimmed the price of its new entry-level “Long Range” variants.

Full-fibre firm bags £50m for London rollout

JAMES WARRINGTON
@j_a_warrington
LONDON full-fibre broadband firm Community Fibre has secured an additional £50m of funding to support its rollout in the capital.

Community Fibre said the backing from its two institutional investors, RPMI and Amber Infrastructure, will accelerate its ambition of reaching 500,000 homes.

The Paddington-headquartered company has already raised more than 70,000 homes in the capital and has secured agreements to build from eight borough councils and nine housing associations.

Community Fibre also announced the appointment of telecoms veteran Graeme Odby as its new chief executive.

“This latest round of investment clearly demonstrates a strong vote of confidence in both our success so far and our plans for future growth,” said chair Chris Sellers.
London. We have a problem.
Our air is toxic, and driving polluting vehicles is the main cause.
The air that we breathe, and that our children breathe, can cause life-long diseases.
But there are solutions. We’re making London’s transport greener.
Find out how you can make a difference too.
Search ‘Let London breathe’.

German investors gloomier over Iran and trade tensions

HARRY ROBERTSON
@harrygrobertson
GERMAN investors became increasingly dour about the country’s economic prospects in July, as they fretted over the raging US-China trade war and tensions in Iran. The ZEW think tank’s indicator of economic sentiment fell to minus 24.5 points in July compared with minus 21.1 in March. Economists had been expecting a better reading of minus 22.3.

A separate indicator of investors’ views on the economic situation in Germany fell 8.9 points to minus 1.1, its lowest score since 2010 when the continent was battered by financial crises.

With investment a central cause of economic growth, the weak survey score will worry German policymakers during a tough patch. The government predicts Germany’s economy will grow just 0.5 per cent this year, compared to 1.5 per cent in 2018, which itself was considered weak.

“The continued negative trend in incoming orders in the German industry is likely to have reinforced the financial market experts’ pessimistic sentiment,” said ZEW president Achim Wambach, adding that an end to “uncertainty in the export-oriented sectors of the German economy is currently not in sight”.

Earlier this month, official figures showed new factory orders plunged 2.2 per cent in May compared to the previous month. This was far below the 0.1 per cent drop economists expected.

Trade tensions, weak demand from China, and new car emissions tests are among the factors that have hurt German manufacturing in 2019.

“The Iran conflict seems to be intensifying and the ongoing trade dispute between the USA and China is a burden not only to Chinese economic development,” said Wambach.

US retail sales beat expectations as economy blows hot and cold

HARRY ROBERTSON
@hennygrobertson
US RETAIL sales beat economists’ expectations in June, official figures showed yesterday, as the economy continues to send mixed signals to policymakers at the Federal Reserve.

American shoppers bought 0.4 per cent more goods in June than they did in May, according to the US Census Bureau. This was significantly higher than the 0.1 per cent forecast by economists.

Sales in June were 3.4 per cent higher than a year earlier. Meanwhile, month-on-month sales growth for May was revised down 0.1 percentage point to 0.4 per cent.

The figures come a week after Fed chair Jay Powell boosted the market’s expectations that the first interest rate cut in 10 years will come this month. He warned a congressional committee that “trade tensions and concerns about global growth have been weighing on economic activity and the outlook” in the US.

However yesterday’s retail figures suggest low levels of unemployment and rising wages are helping consumers maintain their spending levels, boosting the economy.

US retail sales grew by 0.7 per cent when the volatile motor vehicle and gas sales were removed, compared to economists’ predictions of 0.5 per cent.
Hays suffers a Brexit blow on hires in the UK

JOE CURTIS
@joe_r_curtis

RECRUITMENT agency Hays reported yesterday that it has seen a 7% fall in revenue growth in the last quarter of its financial year, as UK income declined in a “tougher” private sector market. The FTSE 250 firm blamed a lack of appetite in the UK and Ireland’s private sector for a two per cent fall in fees. Elsewhere, fees earned on job changes in Germany grew by per cent year-on-year in the three months to the end of June, while Australia and New Zealand rose by 7% per cent.

Hays’ share price fell 1.7% per cent after the trading update to 149p, but recovered slightly to 151p at the close. However, it reiterated full-year operating profit guidance, saying it will hit market expectations of £248m.

Chief executive Alistair Cox called the quarter a “solid end” to the financial year, pointing to a one per cent growth in underlying fees. But he added that performance had come against a backdrop of “tough comparatives, more mixed macroeconomic conditions and some signs of reduced business confidence”.

“Europe saw mixed conditions, although our largest market of Germany saw solid underlying growth, and southern Europe performed well. The UK was understandably more subdued, particularly in the private sector,” he said.

Bayer Roundup damages cut in weedkiller case

SEBASTIAN MCCARTHY
@SebMcCarthy

A JUDGE has slashed the damages that German chemicals company Bayer must pay out to a man who blamed its Roundup weed killer for causing his cancer.

Bayer yesterday won a court battle in which a US federal judge cut a fine linking the company to a cancer case from $80.3m (£64.3m) to $25.3m.

In a San Francisco court, judge Vince Chhabria concluded that while Monsanto, owned by Bayer, “deserves to be punished”, the original higher amount was “constitutionally impermissible” as it was almost 15 times the company’s damages award.

Chhabria also rejected the firm’s claim for a new trial, although Bayer told Reuters that it would seek to appeal.

In March, a jury found Monsanto’s Roundup herbicide was a substantial factor in causing a groundskeeper’s cancer.

Bayer has suffered a 37 per cent drop in its share price over the last 12 months after also facing a wave of other legal challenges and several costly court cases.

Competition watchdog to probe $3.4bn Inmarsat takeover deal

JAMES WARRINGTON
@j_a_warrington

THE COMPETITION watchdog has opened an investigation into the proposed $3.4bn (£2.6bn) takeover of satellite communications giant Inmarsat by a consortium of private equity firms.

Inmarsat earlier this year unveiled a buyout deal led by Apax Partners and Warburg Pincus, which tabled a cash offer of $7.21 per share. But the Competition and Markets Authority yesterday said it will probe whether the deal will lessen competition in the market.

The inquiry could derail the mammoth merger, which comes after several other bids fell through.

ADVERTISMENT FEATURE

The US second-quarter earnings season gets into full swing next week, and there is a largely unreported quandary. On the one hand, markets are touching all-time highs. In the year to date, the Dow Jones Industrial Average is up over 15%, the S&P 500 has added over 19%, and the technology index that is Nasdaq has raced 23% ahead.

And Frontier markets are the emerging markets of tomorrow, providing exciting growth opportunities for investors due to their young and dynamic demographic, rising consumption and underpenetration of goods and services. Frontier markets are also rich with resources, land and labour, which should help support long term economic growth. Countries that fall in this bracket include Argentina, Kuwait and Nigeria.

According to the International Monetary Fund (IMF), frontier GDP is expected to grow from 3.7% in 2018 to 3.5% in 2019, then 4.0% in 2020.

THE FUND

Sam Vecht and Emily Fletcher, managers of the BlackRock Frontiers Investment Trust, have identified eight countries that dominate emerging market funds, the so-called Everyone’s Eight, leaving a long tail of 60 markets, known as the Forgotten Forty. Everyone’s Eight (Brazil, China, India, Korea, Mexico, Russia, South Africa, and Taiwan) accounts for about 85% of global emerging market funds.

Vecht and Fletcher are more of these eight countries completely, instead focusing on finding hidden opportunities in the Forgotten Forty.

They believe that the Forgotten Forty offer significant value compared to developed markets. Indeed, some frontier markets have a market capitalisation less than that of just one single stock listed in the developed world. For example, the market capitalisation of Netflix (currently about $160 billion) exceeds the markets of Greece and Turkey combined. We note that the GDP of these two economies totals more than $1.10 billion, while the net income of Netflix is around $4 billion.

Vecht and Fletcher employ a combination of top-down macro-economic analysis and “bottom-up” fundamental stock research to find compelling, out of favour opportunities in frontier markets. They focus on countries which are in early cycle, seeing stabilising and rising currencies and falling bond yields, such as Indonesia, Egypt and Vietnam. At company level, they are looking for organic growth in cash flows and earnings as they believe that this is ultimately the driver of share prices over time.

WHAT’S IN IT?

The portfolio usually includes between 40 and 60 stocks, with positions ranging from 1% to 5% so that each position has a significant impact on performance. It is a relatively concentrated portfolio, with the top 10 holdings making up almost 30% of the trust.

Among its biggest stakes are Indonesia’s Bank Mandiri (3.4%), Argentina’s Banco Macro (3.3%), Indonesian conglomerate Astra International (3.2%), National Medical Care (3.2) of Saudi Arabia and Vietnam’s shopping mall operator Vincom Retail (3.1%).

The manager’s focus on companies with stable cash flows had seen the portfolio grow its dividend every year since 2011, despite income not featuring in its objectives. The current yield is 4.5%.

Country level, the portfolio is highly diversified, with 22 different geographies represented. The trust’s top sector allocation is Financials at 28.6%, followed by Real Estate 14.7%, Consumer Staples 13.6% and Consumer Discretionary at 12.4%.

Since inception in December 2010 to the end of June, the trust has returned 125.4% against 95.9% from the MSCI Frontier Markets Index and 90.9% for its peers, with a much lower volatility.

THE II VIEW

BlackRock Frontiers Investment Trust features on the ii Super 60 list of high conviction investment ideas as an Emerging Markets Equities Adventurous recommendation. The trust provides exposure to exciting growth opportunities in frontier markets picked by highly experienced fund managers. The low correlation between frontier markets and developed and emerging markets means that the inclusion of a frontier markets fund within a portfolio can bring significant diversification benefits. While offering great growth potential, frontier markets are complex and carry high risks, therefore are only suitable for longer term investors who are prepared to tolerate above-average volatility.

This article is provided for information purposes only and is not intended to be a personal recommendation to buy or sell any financial instrument or product, or to adopt any investment strategy.

READ MORE ONLINE

Keep up to date on our news at: www.ii.co.uk
**Pharma strength boosts Johnson & Johnson profit**

**MANAS MISHRA**

PHARMA giant Johnson & Johnson (J&J) yesterday raised its full-year sales forecast as demand for its cancer drugs Darzalex and Imbruvica helped it exceed estimates for second-quarter profits.

J&J’s pharmaceuticals unit has cushioned impact of slow growth in its medical devices, largely due to its cancer drugs, even as some of its older drugs face competition.

The company raised its 2019 forecast for operational sales, which excludes the impact of currency fluctuations, to a range of $82.4bn ($65.9bn) to $83.2bn from a prior range of $82bn to $82.8bn.

“We expect questions on the maintained earnings per share guidance but we point to the continued-to-be-improving strength across its franchises, despite pharma headwinds,” said BMO Capital Markets analyst Joanne Wuensch.

J&J reported a 41.8 per cent fall in litigation expense of $832m in the quarter. But the company recorded litigation expense of $832m in six months, compared to $703m.

J&J is among the drugmakers facing lawsuits that allege they overstated the benefits of opioids while downplaying their addictive risks when marketing their pain treatments.

It also disclosed in its annual report in February that it had received subpoenas from the US Justice Department and Securities and Exchange Commission related to baby powder litigation.

J&J repeatedly has said its talc products don’t use or contain asbestos and that decades of studies have shown them to be asbestos-free and that they do not cause cancer.

**Time to celebrate small business lenders**

**Guy Tolhurst**

These lenders are disrupting financial services while sending capital to the businesses that need it most.

The former British colony’s retailers fear that sales will drop by double digits from a year earlier due to large and sometimes violent protests that have gripped the Chinese-ruled city for more than a month.

On top of that forecast, the Hong Kong Retail Management Association also sharply changed its full-year retail sales forecast to a double-digit fall instead of single-digit growth.

The association urged the government to resolve the dispute over a proposed extradition bill peacefully.

The former British colony’s retailers fear that sales will drop by double digits from a year earlier due to large and sometimes violent protests that have gripped the Chinese-ruled city for more than a month.

On top of that forecast, the Hong Kong Retail Management Association also sharply changed its full-year retail sales forecast to a double-digit fall instead of single-digit growth.

The association urged the government to resolve the dispute over a proposed extradition bill peacefully.

**HK shop owners fear sales drop**

**DONNY KWOK**

HONG Kong retailers yesterday said they expect sales for July and August to drop by double-digits from a year earlier due to large and sometimes violent protests that have gripped the Chinese-ruled city for more than a month.

On top of that forecast, the Hong Kong Retail Management Association also sharply changed its full-year retail sales forecast to a double-digit fall instead of single-digit growth.

The association urged the government to resolve the dispute over a proposed extradition bill peacefully.

**Boots puts the boot into plastic bags as shoppers support switch to paper version**

**Stephan Shakespeare**

Boots has joined other retailers in pledging to swap plastic bags for paper, after executive of YouGov data shows that 83 per cent of shoppers support switch to paper version.

Since Boots made the announcement, Buzz scores – a net measure of whether consumers have heard anything positive or negative about the brand in the past fortnight – have risen from minus 2.6 to plus 1.9 nationally.

“Shoppers are more likely to feel they need help to reduce the amount of plastic that they use – 64 per cent versus 58 per cent nationally,” YouGov data shows.

Three quarters of customers say they try to reuse disposable items such as plastic bags where possible, while 38 per cent try to buy fewer goods that have unrecyclable packaging. Eight per cent try and avoid supermarkets and shops that don’t use recyclable packaging.

There’s also strong evidence that they would be willing to go further: eight per cent of Boots customers would pay extra for goods in plastic bags for paper, after facing criticism earlier this year for keeping medical prescription bags in plastic to protect medication during transport.

The new bags are unbleached and use water-based ink, and will be in all stores by early 2020. Boots claims this will prevent the disposal of 900 tonnes of plastic annually.

YouGov data shows that 83 per cent of British think paper bags are less harmful to the environment, with only a negligible two per cent believing the same of plastic bags. People prefer paper bags to plastic ones.

“People would probably support the change as a result of the environmental benefits: 84 per cent of Boots customers prefer paper bags to plastic ones. Since Boots made the announcement, Buzz scores – a net measure of whether consumers have heard anything positive or negative about the brand in the past fortnight – have risen from minus 2.6 to plus 1.9 nationally,” YouGov data shows.

Three quarters of customers say they try to reuse disposable items such as plastic bags where possible, while 38 per cent try to buy fewer goods that have unrecyclable packaging. Eight per cent try and avoid supermarkets and shops that don’t use recyclable packaging.

There’s also strong evidence that they would be willing to go further: eight per cent of Boots customers would pay extra for goods in plastic bags for paper, after facing criticism earlier this year for keeping medical prescription bags in plastic to protect medication during transport.

The new bags are unbleached and use water-based ink, and will be in all stores by early 2020. Boots claims this will prevent the disposal of 900 tonnes of plastic annually.

YouGov data shows that 83 per cent of British think paper bags are less harmful to the environment, with only a negligible two per cent believing the same of plastic bags. People prefer paper bags to plastic ones.

“People would probably support the change as a result of the environmental benefits: 84 per cent of Boots customers prefer paper bags to plastic ones. Since Boots made the announcement, Buzz scores – a net measure of whether consumers have heard anything positive or negative about the brand in the past fortnight – have risen from minus 2.6 to plus 1.9 nationally,” YouGov data shows.

Three quarters of customers say they try to reuse disposable items such as plastic bags where possible, while 38 per cent try to buy fewer goods that have unrecyclable packaging. Eight per cent try and avoid supermarkets and shops that don’t use recyclable packaging.

There’s also strong evidence that they would be willing to go further: eight per cent of Boots customers would pay extra for goods in plastic bags for paper, after facing criticism earlier this year for keeping medical prescription bags in plastic to protect medication during transport.

The new bags are unbleached and use water-based ink, and will be in all stores by early 2020. Boots claims this will prevent the disposal of 900 tonnes of plastic annually.

YouGov data shows that 83 per cent of British think paper bags are less harmful to the environment, with only a negligible two per cent believing the same of plastic bags. People prefer paper bags to plastic ones.
**CITY DASHBOARD**

**LONDON REPORT**

**Burberry leads FTSE 100 higher on weak pound**

London’s main index rose yesterday as Burberry scaled a 11-month high after its first-quarter update showed new designs boosted sales, and a weaker sterling aided exporter stocks. The FTSE 100 added 0.6 per cent to 7,772.30 points, its best day in nearly two weeks, outperforming the broader European markets.

Gains in Easyjet and Aston Martin helped the FTSE 250 advance 0.4 per cent to 19,656.05 points, despite a rise to the local currency from mounting Brexit jitters.

Luxury brand Burberry jumped more than 15 per cent on its best day ever, after it posted a stronger-than-expected rise in first-quarter comparable-store sales and affirmed its annual forecast.

Airline stocks climbed after Ryanair said deliveries of Boeing’s 737 Max planes may be delayed further, raising the prospects of easing over-capacity in the European market.

Shares in Ryanair, which cut its forecast for growth in traveller numbers next summer, and British Airways owner IAG gained 2.6 per cent each.

*August Graham*

---

**BEST OF THE BROKERS**

<table>
<thead>
<tr>
<th>BEST OF THE BROKERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BGC</td>
</tr>
<tr>
<td>ABCAM</td>
</tr>
<tr>
<td>PEARSON</td>
</tr>
<tr>
<td>LIFE</td>
</tr>
<tr>
<td>NEX</td>
</tr>
</tbody>
</table>

*Author: Emily Nicolle*

---

**CITY MOVES**

**WHO’S SWITCHING JOBS**

**BGF**

BGF, a UK and Ireland investor in growing companies, has expanded its London team with the appointment of Rowan Bird as an investor. Rowan joins from the M&A team at Lazard where he spent three years working as an investment banking analyst, specialising in basic industries and natural resources sector.

His role at BGF will involve all aspects of the investment process from building relationships with business owners, supporting opportunities through BGF’s investment process and actively working alongside a number of portfolio companies post-completion. BGF has invested more than £370m across 54 businesses based in London since it was set up in 2011.

**FXD CAPITAL**

Money broker and deposit specialist FXD Capital has announced the appointment of Richard Hunt as broker partner. Richard began his career in Abu Dhabi, and has enjoyed early success within the business among the airline and real estate sectors. FXD Capital works with corporates, institutions, government agencies and not-for-profit organisations, helping clients to enhance liquidity, diversify counterparty risk and maximise yield.

Through its extensive and diverse network of banks and financial institutions, FXD Capital bridges the gap between depositor and bank, offering clients access to a wide range of term deposits, notice accounts and money market funds.

**CALASTONE**

James Donaldson has been appointed chief financial officer (CFO) at Calastone, the global funds transaction network. James brings significant experience to Calastone having previously served as CFO of the Global Markets business at Ciklum, leading all aspects of finance, corporate development, legal and compliance. Prior to this, he worked for the Travelocity Group in numerous roles, including Global CFO, but also as chief operating officer for Europe and Asia, and CFO for Lastminute.com, managing all aspects of financial control, planning, and compliance. He qualified as a chartered accountant in 1995. With the recent launch of Calastone’s blockchain-based Distributed Market Infrastructure for funds, he will help to develop the business as clients start to leverage the enhancements made possible through the new technology.

To appear in CITYMOVES please email your career updates and pictures to citymoves@cityam.com

---

**NEWS**

**Gateley hits new revenue highs as its series of acquisitions pays off**

*August Graham*

LISTED law firm Gateley last year passed the £100m revenue mark for the first time as a string of acquisitions boosted its top line.

Profit before tax at the company jumped 8.9 per cent to £15.9m, on 20.2 per cent revenue growth, to £103.5m.

The firm showed net assets of £30.6m, up from £28m in 2018, while net debt also grew to £3.2m.

“I am delighted that our legal and professional services group has broken the £100m revenues barrier for the first time, as we delivered another excellent financial performance,” said chief executive Michael Ward.

It comes in a year when the company made three acquisitions, buying GCL Solicitors, Kiddy & Partners, and International Investment Services.

Meanwhile, the firm’s total number of staff and fee-earning staff both grew 19.8 per cent, reaching 907 and 797 respectively.

“Our teamwork has, once again, enabled us to maintain strong momentum. “We have continued to invest in our people, with staff numbers now approaching 1,000 employees, and had our most active year to date on strategic acquisitions, all of which have been successfully integrated,” Ward said.

“The new financial year has started very well and we continue to look to the future with confidence. Gateley was the first English law firm to hit the public exchange when it listed in 2015. At the time it was valued at £100m. Yesterday the company’s shares closed up 0.3 per cent to 164.50p.

It had a market capitalisation of £181.81m.

---

**Bain and Goldman fund London fintech Sumup**

*Emily Nicolle*

PAYMENTS startup Sumup has closed a funding line of £30m (£297.8m) as new technology, announced yesterday, from Bain Capital Credit and Goldman Sachs Private Capital.

Other investors included HPS Investment Partners and TPV Sixth Street Partners.

Sumup, which has more than 1.5m users, provides affordable card terminals and online payments technology to businesses.

The London-based firm said it will use the loan to grow its customer base across 31 European markets, expand its product suite and make more acquisitions.

It hopes to replicate its 120 per cent year-on-year growth in 2019, with more than £200m in revenue forecast for the financial year ahead.

The company said it will also increase its headcount, which has reached 1,300 staff in 15 offices.

Marc-Alexander Christ, co-founder of Sumup, said the fresh cash injection “will significantly accelerate the growth of our customer base, enhance Sumup’s technology leadership position, and drive the development of new services”.

---

**NEW YORK REPORT**

**Bank results stoke rate fears**

Quarterly results from banks yesterday added to concerns about lower interest rates damaging their profits, while comments from US President Donald Trump on trade dragged down Wall Street’s major indices.

The Dow Jones Industrial Average fell 23.53 points, or 0.09 per cent, to 27,335.63, the S&P 500 lost 10.26 points, or 0.34 per cent, to 3,004.04 and the Nasdaq Composite dropped 35.39 points, or 0.43 per cent, to 8,222.80.

JP Morgan Chase and Wells Fargo beat quarterly profit estimates, but reported weaker net interest income, primarily as a result of lower deposit costs.

JP Morgan shares eased early losses to end 1.1 per cent higher. Wells Fargo shares, however, slipped three per cent as the bank tempered its outlook for setting costs.

Johnson & Johnson shares slipped 1.6 per cent after the diversified healthcare company warned that competition from generic and copycat drugs could impact its third-quarter results.

Johnson & Johnson was the second-biggest drag on the S&P 500.
OFFICE POLITICS

What a legend: The enduring genius of Alan Turing

Now the face of the £50 note – no man is more deserving in today’s modern world

I CANNOT think of a man more deserving of commemoration by this nation than Alan Turing. It is enlivening that, in an era so dominated by differing ideals of what and who our society should champion, riven by irreconcilable divisions deep within our cultural psyche, such a man might have existed who could bridge at least some of them.

Turing struggled with autism, making him deeply antisocial. His speech was impeded, and his ability to write was barely passable. Yet he was one of the greatest minds ever to have sprung forth from the bowels of this sceptered isle.

It was he and his team whose peerless work helped crack the language that no one else could – the ever-shifting code of the Wehrmacht’s Enigma machine. He is an example of the value of those with learning disabilities, of the socially awkward and inept.

Turing was a homosexual in a world that did not accept homosexuals. He suffered greatly for this crime, enduring public condemnation, humiliation, chemical castration, and eventually suicide. He was an outcast. He was, to the state, a pervert, convicted of indecency. He is an example of the persecuted and the victimised minorities of this nation’s past and present – the ordinary people trampled underfoot for the sin of being who they were born to.

Turing was a visionary whom very few people understood. He worked in mathematics and mechanics that most failed to appreciate, let alone understand. Decades before the first tech startups of Silicon Valley, he was conceiving the beginnings of what would one day become artificial intelligence.

Without him, the modern world, furnished with the creations of man’s genius, would be very different indeed.

Now the face of the £50 note – no man is more deserving in today’s modern world.

What a legend:

The enduring genius of Alan Turing

Benedict Spence is a freelance writer.

---

COFFEE BREAK

SUDOKU

Copyright Puzzle Press Ltd, www.puzzlepress.co.uk

Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

KAKURO

Fill in the grid so that each block adds up to the total in the box above or to the left of it. You can only use the digits 1-9 and you must not use the same digit twice in a block. The same digit may occur more than once in a row or column, but it must be in a separate block.

WORDWHEEL

Using only the letters in the Wordwheel, you have ten minutes to find as many words as possible, none of which may be plurals, foreign words or proper names. Each word must be of three letters or more, all must contain the central letter and letters can only be used once in every word. There is at least one nine-letter word in the wheel.

LAST ISSUE’S SOLUTIONS

QUICK CROSSWORD

ACROSS

1 Rectangular block used in the construction of a wall (5)
2 Irish policeman (5)
3 Unconscious state (4)
4 Wanders about (5)
5 Tenant (5)
6 Science or practice of building or flying aircraft (11)
7 Thin piece of plastic used to correct visual defects (7,4)
8 Auvior (5)
9 Point directly opposite the zenith (5)
10 Wood file (4)
11 Vine fruit (5)
12 Smokhy (5)

DOWN

1 Loose garment worn by Muslim women (5)
2 Pile of decaying vegetation for use in the garden (7,4)
3 Deity (5)
4 Medium-dry sherry produced in Spain (11)
5 Insolent, persistent ridicule (3)
6 Hoard (5)
7 Emerge, as from an egg (5)
8 Inflated pride (5)
9 Metal container (5)
10 Jangle (5)
11 Rise or move forward (5)
12 Brother of George Gershwin (5)
13 Operate (5)

© Benedict Spence is a freelance writer.
LETTERS
TO THE EDITOR
Pension tension

[Re: The perils of mixing pensions with mortgages]

Katherine Denham suggests that prioritising property over pensions stores up problems down the line. We agree absolutely. We recently published a series of recommendations to help households address the long-term savings challenges. Our proposals – which include increasing pension contribution rates to 15 per cent by 2030 – are intended as a package, not as a menu of options. Each is a critical ingredient of a future system that can deliver substantial reform. One of these measures is to allow young savers to use the Isa savings pots to deposit for a first home. Pension savings and property are often seen as competing priorities, but both are integral to most people’s standard of living in retirement, as retired renters will have higher income needs.

Many young people will prioritise getting onto the property ladder ahead of saving into a pension, despite the powerful positive impact of compound interest by saving. Many will choose to delay spending on a deposit. That would be the equivalent of 3.5m young people increasing their long-term savings rates in order to ensure a more comfortable retirement.

We believe that, alongside the other proposals we have laid out, this approach could provide a secure financial future for millions of people into old age. A young person needs to ensure an adequate supply of housing and improve affordability. However, this policy is not focused on increasing demand for housing, but on addressing the tension between them. We need to increase automatic enrolment contributions and the desire of many savers to own a property, so that they no longer have to choose between a pension and a home of their own.

Pete Glancy, head of policy, Scottish Widows

Certified Distribution Date: 20/04/2019

Distribution Helpline: 0845 200 8695

General Terms and Conditions: www.cityam.com/terms-and-conditions

Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

Our terms and conditions for external contributors can be viewed at cityam.com/terms-and-conditions

CITYAM.COM

LETTERS
TO THE EDITOR
Pension tension

[Re: The perils of mixing pensions with mortgages]

Katherine Denham suggests that prioritising property over pensions stores up problems down the line. We agree absolutely. We recently published a series of recommendations to help households address the long-term savings challenges. Our proposals – which include increasing pension contribution rates to 15 per cent by 2030 – are intended as a package, not as a menu of options. Each is a critical ingredient of a future system that can deliver substantial reform. One of these measures is to allow young savers to use the Isa savings pots to deposit for a first home. Pension savings and property are often seen as competing priorities, but both are integral to most people’s standard of living in retirement, as retired renters will have higher income needs.

Many young people will prioritise getting onto the property ladder ahead of saving into a pension, despite the powerful positive impact of compound interest by saving. Many will choose to delay spending on a deposit. That would be the equivalent of 3.5m young people increasing their long-term savings rates in order to ensure a more comfortable retirement.

We believe that, alongside the other proposals we have laid out, this approach could provide a secure financial future for millions of people into old age. A young person needs to ensure an adequate supply of housing and improve affordability. However, this policy is not focused on increasing demand for housing, but on addressing the tension between them. We need to increase automatic enrolment contributions and the desire of many savers to own a property, so that they no longer have to choose between a pension and a home of their own.

Pete Glancy, head of policy, Scottish Widows

Certified Distribution Date: 20/04/2019

Distribution Helpline: 0845 200 8695

General Terms and Conditions: www.cityam.com/terms-and-conditions

Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

Our terms and conditions for external contributors can be viewed at cityam.com/terms-and-conditions

CITYAM.COM

LETTERS
TO THE EDITOR
Pension tension

[Re: The perils of mixing pensions with mortgages]

Katherine Denham suggests that prioritising property over pensions stores up problems down the line. We agree absolutely. We recently published a series of recommendations to help households address the long-term savings challenges. Our proposals – which include increasing pension contribution rates to 15 per cent by 2030 – are intended as a package, not as a menu of options. Each is a critical ingredient of a future system that can deliver substantial reform. One of these measures is to allow young savers to use the Isa savings pots to deposit for a first home. Pension savings and property are often seen as competing priorities, but both are integral to most people’s standard of living in retirement, as retired renters will have higher income needs.

Many young people will prioritise getting onto the property ladder ahead of saving into a pension, despite the powerful positive impact of compound interest by saving. Many will choose to delay spending on a deposit. That would be the equivalent of 3.5m young people increasing their long-term savings rates in order to ensure a more comfortable retirement.

We believe that, alongside the other proposals we have laid out, this approach could provide a secure financial future for millions of people into old age. A young person needs to ensure an adequate supply of housing and improve affordability. However, this policy is not focused on increasing demand for housing, but on addressing the tension between them. We need to increase automatic enrolment contributions and the desire of many savers to own a property, so that they no longer have to choose between a pension and a home of their own.

Pete Glancy, head of policy, Scottish Widows

Certified Distribution Date: 20/04/2019

Distribution Helpline: 0845 200 8695

General Terms and Conditions: www.cityam.com/terms-and-conditions

Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

Our terms and conditions for external contributors can be viewed at cityam.com/terms-and-conditions

CITYAM.COM

LETTERS
TO THE EDITOR
Pension tension

[Re: The perils of mixing pensions with mortgages]

Katherine Denham suggests that prioritising property over pensions stores up problems down the line. We agree absolutely. We recently published a series of recommendations to help households address the long-term savings challenges. Our proposals – which include increasing pension contribution rates to 15 per cent by 2030 – are intended as a package, not as a menu of options. Each is a critical ingredient of a future system that can deliver substantial reform. One of these measures is to allow young savers to use the Isa savings pots to deposit for a first home. Pension savings and property are often seen as competing priorities, but both are integral to most people’s standard of living in retirement, as retired renters will have higher income needs.

Many young people will prioritise getting onto the property ladder ahead of saving into a pension, despite the powerful positive impact of compound interest by saving. Many will choose to delay spending on a deposit. That would be the equivalent of 3.5m young people increasing their long-term savings rates in order to ensure a more comfortable retirement.

We believe that, alongside the other proposals we have laid out, this approach could provide a secure financial future for millions of people into old age. A young person needs to ensure an adequate supply of housing and improve affordability. However, this policy is not focused on increasing demand for housing, but on addressing the tension between them. We need to increase automatic enrolment contributions and the desire of many savers to own a property, so that they no longer have to choose between a pension and a home of their own.

Pete Glancy, head of policy, Scottish Widows

Certified Distribution Date: 20/04/2019

Distribution Helpline: 0845 200 8695

General Terms and Conditions: www.cityam.com/terms-and-conditions

Printed by West Ferry Printers Ltd, Kimpton Rd, Luton LU2 0SX

Our terms and conditions for external contributors can be viewed at cityam.com/terms-and-conditions

CITYAM.COM
Facebook’s libra is far more than a crypto gimmick, it’s a solution to the gig economy’s payment problem

Iqbal Gandham

Through libra, a gig economy worker with a Facebook account will be able to receive payment as quickly as consumers receive products and services from marketplaces. Hypothetically, libra could eliminate issues like bank account accessibility and inflexibility in payment currencies. Of course, while this sounds easy, there are still barriers to overcome. It’s a seismic moment for global finance, and it’s yet to be seen how regulators and governments will react and try to regulate the technology. It’s likely that some countries will endeavour to ensure that libra never sees the light of day – we’ve already seen President Donald Trump come out against it. But despite these obstacles, the idea of building a payment system into a platform that nearly a third of the world’s population already use is a positive move for the global economy, and for gig workers in particular.

While the impact of Facebook’s libra project is yet to be seen, I’m hopeful that it will accelerate the conversations and questions about regulation and banking that have yet to be answered on cryptocurrency. Even more significantly, if today’s powers-that-be, particularly in developing nations, open their doors to crypto, we could see the development of these economies rapidly speed up as they’re able to access more accurate data on their growth.

That’s certainly food for thought the next time you order dinner online.

© Iqbal V. Gandham is UK managing director at eToro.
ENTREPRENEURS

AN END TO ELITISM

Sam Dumitriu asks how we can make the world of business more meritocratic

HE UK may have been spared an all-Etonian Tory leadership contest, but Britain is still an undoubtedly elitist country. While just seven per cent of Brits were educated privately, 65 per cent of senior judges, 59 per cent of top civil servants, 39 per cent of cabinet ministers, and 44 per cent of newspaper columnists attended an independent school.

Elitist Britain, a recent report by the Sutton Trust and the Social Mobility Commission, highlights that the UK’s elites are still drawn from a narrow set of institutions, such as a fee-paying private school or Oxford and Cambridge universities.

Interestingly, the report, which updates similar research from 2014, includes data for the first time on top entrepreneurs and chief executives in the tech sector. It found that in almost every aspect of British society – with football being the sole exception – the privately educated are over represented at the top. The world of business is actually one of the more meritocratic parts of society, with only 26 per cent of tech chief executives and 34 per cent of entrepreneurs having attended a private school (although readers should be wary of the latter number, which is based on an arbitrary list where appearances on Dragon’s Den and The Apprentice seem to count for more than jobs created or successful exits). Still, the data is worth thinking about, as clearly there is room for improvement, both in terms of better representation and maintaining business as being a more meritocratic world than politics or the judiciary.

UNIVERSITY DAYS

Importantly, the report highlights the power of Oxbridge. While less than one per cent of the public went to a college at Oxford or Cambridge, over half the current cabinet studied there. And once again, Oxbridge grads are over represented among tech chief executives at 12 per cent. Are there excuses for this, and should we care? You might wonder, does it really matter where entrepreneurs went to school? Unlike cabinet ministers, senior judges, or top civil servants, it isn’t the job of entrepreneurs to represent the people. Besides, markets have a habit of sniffing out underperformers and providing opportunities to those who offer new perspectives, wherever they come from. It’s interesting to note that tech and FTSE 350 chief executives were more likely to have been educated abroad than to have gone to a private school, demonstrating that, while there might be barriers to entering the world of business, geography isn’t one of them.

Nor should it come as a surprise that tech bosses and entrepreneurs tend to have attended world-leading research institutions. Top universities select students based on many of the characteristics that are sought after in an entrepreneur. It could be less that Oxbridge produces tech chief executives, but that would-be tech bosses are the academic high-achievers who are more likely to apply and get into Oxbridge. However, we should still care. Entrepreneurial talent is precious. We should be careful not to waste it, and think hard about how best to nurture it.

STUDYING THE PROBLEM

The value of an elite education isn’t just excellent teaching, it’s about the people you meet. There’s a wealth of research highlighting the importance of entrepreneurial role models and mentors. These people play a number of crucial roles, and can pass on know-how by explaining to budding entrepreneurs the basics of attracting investment, writing a business plan, and developing a product. The very act of meeting someone like you who is an entrepreneur can make starting your own company seem like a less daunting task.

Role models matter for innovation too. Research from economists Raj Chetty and John Van Reenen studied the lives of over a million inventors in the US. Using a database that linked patent records to local tax and school data, they were able to track the key factors that determine whether or not someone becomes an inventor. Their research found that a person is much more likely to become an inventor if they grew up in a high-income household. However, income isn’t the only factor that’s important – exposure to innovation is also key. They found that children who grow up in areas with more inventors are more likely to go on to innovate themselves.

In fact, exposure to innovation doesn’t just affect whether or not you invent, but what you invent. So if you grow up around medical device inventors, you’re more likely to go on to invent medical devices. Crucially, universities can help to level the playing field. At the most innovative institutions like MIT, students from high and low-income families patented at similar rates.

Chetty and Van Reenen’s research also has implications for gender equality. For women, exposure to male innovators has no impact on their propensity to innovate, but exposure to female innovators does. If you could find a way to get women, ethnic minorities, and people born to low-income households to innovate at the same rate as white men born to high-income households, it would quadruple the innovation rate in the US.

THE STEPS AHEAD

The stark divide revealed by the Elitist Britain report suggest that similarly large gains are on offer by expanding the pool of entrepreneurial talent and exposing more disadvantaged people to innovation. The challenge now is to find ways of getting more relatable role models from business into classrooms and after-school clubs.

Private schools and elite universities tend to benefit from a virtuous cycle, with students being exposed to entrepreneurship and then going on to expose others in the years below. We need to find ways of kickstarting that cycle in other institutions to ensure that more people see entrepreneurship as a viable path. Otherwise Britain risks remaining an elitist country.

© Sam Dumitriu is research director at The Entrepreneurs Network.
The hot hatch has reached boiling point. Very soon, Mercedes will reveal a new AMG A45, with the most powerful four-cylinder engine ever. Its scorching 416hp bests a 288 GTO – Ferrari’s mid-1980s poster car – in a game of top Trumps, and may well get from 0-62mph in less than four seconds.

A supercar-slaying hatchback was unthinkable back in 1974, when the Simca 1100 Ti first screeched into showrooms. Arguably the origin of the species, it eked out 82hp from a 1.3-litre twin-carb engine – good for 60mph in 12 seconds. The 110hp Volkswagen Golf GTI debuted soon after, bringing power to the people like never before, hotly pursued by the 128hp Peugeot 205 1.9 GTI. By 1992, the Ford Escort RS Cosworth mustered a mighty 227hp, on par with a contemporary Porsche 911.

Today, even the lowliest Golf GTI outguns the classic Cossie, while outputs beyond 300hp are routine. Yet the horsepower race has, ironically, left a gap for something (slightly) more sensible…

Meet the Mercedes-AMG A35, which slots below the ballistic A45 as Affalterbach’s entry-level offering. Could it be all the hot hatch you really need?

Let’s start with the spec: a 306hp turbocharged four-pot, seven-speed paddleshift transmission and four-wheel drive. The suspension has solid mounts to sharpen response, tyres are bespoke 19-inch Pirelli P Zeros and the four-piston brakes are borrowed from the A45. Our car also sported the AMG Style bodykit, with motorsport-style canards sprouting from the front bumper, a high-rise rooftop wing and a functional rear diffuser. I’d save the £2,595, choose a paint colour other than Sun Yellow and go incognito.

Wild or mild, the A35 actually looks best from the inside. This is hands-down the classiest cabin of any hot hatch, with superb quality and game-changing tech. Highlights include two giant widescreen displays, ‘augmented reality’ sat nav feed from the front-facing camera, plus a voice control system that responds when you say “Hey Mercedes”. There’s a caveat, though: most of this must-have kit costs extra. You’re even asked £495 for Apple Carplay and Android Auto phone connectivity. The £35,580 base price of our A35 had swollen to £43,660 by the time options were factored in.

If you hoped for a headstrong hooligan in the mould of AMG’s V8 supercars this side of Lewis Hamilton will cover ground more confidently – and likely more quickly – in this baby Benz than AMG’s flagship GT supercar. Mercedes has pitched the A35 perfectly. It’s not madcap enough to overshadow the upcoming A45, nor is it too sober to justify an AMG badge. Like the now-ubiquitous Golf R, it serves up driving fun, practicality and car-park kudos in a well-rounded package. It’s a car for the North Coast 500 and the North Circular.

And that, surely, is what hot hatch fans were all about in the first place.

Tim Pitt works for motoringresearch.com

**NOT CONVINCED? CHECK OUT THESE ALTERNATIVES…**

**AUDI S3 SPORTBACK**
- **PRICE:** £37,020
- **0-62MPH:** 4.7SECS
- **TOP SPEED:** 155MPH
- **CO2 G/KM:** 158G/KM
- **MPG COMBINED:** 40.9MPG

**THE VERDICT:**
- **DESIGN**: ★★★★☆
- **PERFORMANCE**: ★★★★★
- **PRACTICALITY**: ★★★★★
- **VALUE**: ★★★★★

**HONDA Civic Type R GT**
- **PRICE:** £33,550
- **0-62MPH:** 5.8SECS
- **TOP SPEED:** 175MPH
- **CO2 G/KM:** 164G/KM
- **MPG COMBINED:** 36.7MPG

**THE VERDICT:**
- **DESIGN**: ★★★★★
- **PERFORMANCE**: ★★★★★
- **PRACTICALITY**: ★★★★★
- **VALUE**: ★★★★★

**VOLKSWAGEN GOLF R DSG**
- **PRICE:** £36,150
- **0-62MPH:** 4.7SECS
- **TOP SPEED:** 155MPH
- **CO2 G/KM:** 164G/KM
- **MPG COMBINED:** 39.2MPG

**THE VERDICT:**
- **DESIGN**: ★★★★★
- **PERFORMANCE**: ★★★★★
- **PRACTICALITY**: ★★★★★
- **VALUE**: ★★★★★
SPORT

WHY I’M BACKING A RAHM RAID AT OPEN

T’S A slightly strange scenario to be playing the last Major of the year in mid-July, owing to golf’s new, reshuffled calendar, but there is enormous anticipation surrounding the 148th Open Championship, which starts tomorrow.

Royal Portrush is an extremely good course in mint condition and certainly deserves to be hosting The Open again, and it’s great to be back in Northern Ireland, which has provided three Major winners in the last decade.

Rory McIlroy heads that list and all eyes will be on the man from County Down this week as he aims to lift the Claret Jug for a second time – and end his five-year wait for a fifth Major – at a venue where he set the course record of 61 when still a 16-year-old.

He has a huge chance. I spoke to him on Sunday and he was very confident and happy with his game. He has had a great run this year, winning twice, although he has almost flattered to deceive – he has played so well he could have won six or seven times.

Readers will know I’m a massive Rory fan. He can’t believe he is competing in an Open in Northern Ireland, and there is nothing like playing in front of a home crowd. Without doubt it would be the greatest win of his career until the day he dies.

Playing at home is emotional and that can go either way. I always found it difficult because of the added pressure to win, but I am no Rory McIlroy and he is used to having that level of expectation whenever he turns up to an event. This occasion may inspire him.

The man whose chances I like best, however, is Jon Rahm. The Spaniard enjoys it in these parts, having won the Irish Open twice in three years – the most recent, at Lahinch a fortnight ago, in phenomenal fashion with a 64 followed by a 62. From the first day I saw Rahm play I thought he was a megastar. He has every component needed to get to the top and, at just 24, he is now only missing a Major title. This Open could be his time.

ENIGMA

With a happy knack of peaking at the biggest events, Brooks Koepka has to be a contender. The American world No1, who has two wins and two runner-up finishes at the last four Majors, is class personified and not afraid of anything. His last man to watch is Koepka’s countryman Xander Schauffele. He has a fantastic game with lovely, repetitive swing. He looked special when winning the 2017 Tour Championship and has since been working his way to the top of world golf.

Of the others, I’ve been impressed with Henrik Stenson but am not quite sure about his putting. There seem to be a few doubts around Tiger Woods’s current form. We haven’t seen the best of defending champion Francesco Molinari lately and Portrush may suit a longer hitter. And Dustin Johnson is a hell of a player but a bit of an enigma; we have to wait and see how he gets on.

As for what I’d like to see happen, it has to be Rory. He has four Majors already and is too good a player to have waited so long for another. Between the Cricket World Cup and Wimbledon we have seen some incredible sporting stories in recent days, but McIlroy winning The Open in his back yard would be right up there.

Sam Torrance OBE is a multiple Ryder Cup-winning golfer and media commentator.

Follow him @torrancesam

GOLF COMMENT

Sam Torrance

HEED YOUR HUNCH AND GET PAID AS A WINNER

if your player leads after any round*

*Min. stake £5. Max. stake £20. Outright Winner only. One bet per customer. First bet placed eligible. Pre-tournament bets only. Bet placed with FreeBet will not be eligible. Crediting made in cash, at the end of the tournament. Full terms apply. 18+ BeGambleAware.org

betway

THE OPEN
Muir making up for lost time

Scottish runner was a latecomer to athletics but is ready to shine in London this week, hears Felix Keith

Laura Muir will compete against Kenya’s 1500m world champion Faith Kipyegon at the London Anniversary Games this weekend

There’s a bit of an art to judging the 1500m and I’m still learning from each race

Muir’s ‘HUGE YEAR’

GOLDEN START: Muir completed a double-double by winning gold in both the 1500m and 3000m at the European Indoor Championships in March, just as she did in 2017 edition of the competition.

PROMISING FORM: The 26-year-old won the 1500m in Stockholm in May, ran her second-fastest 1500m in Rome the following month and ran a personal best over 800m in Monaco last week.

London Calling: Muir, sprinter Dina Asher-Smith and heptathlete Katarina Johnson-Thompson will all compete this weekend.

MOTIVATION: The World Championships in Doha in October and the World 1500m champion Faith Kipyegon of Kenya the biggest threat.

The 1500m is unusual because it can be run different ways, Muir says. “There are a lot of tactical aspects to it, so it’s exciting to run and watch. There’s a bit of an art to judging it and I’m still learning from each race.”

Although her biggest competitor, Ethiopian Genzebe Dibaba, won’t be competing at the London Stadium, Muir faces a tough race, with Olympic and world 1500m champion Faith Kipyegon of Kenya the biggest threat.

“This year is a huge one for me,” Muir says. “I have really fond memories of running at the Anniversary Games so I’m looking forward to coming back and competing against a strong field.”

If all goes to plan, London can be the launch pad for Muir’s ultimate goals of the World Championships and 2020 Tokyo Olympics.

Tickets for the Muller Anniversary Games are on sale at www.theticketfactory.com/uk/athletics

SPORT DIGEST

Khan’s bout with Pacquiao yet to be agreed upon

Manny Pacquiao’s publicist yesterday denied that the veteran boxer has agreed a deal to fight Britain’s Amir Khan in Saudi Arabia. Khan had claimed the bout for 8 November in Riyadh had been “signed off and done” with the 40-year-old after his comfortable win over Australian Billy Dib on Friday. “Manny has not signed any contract,” spokesperson Fred Sternberg told BBC Sport. “As far as I know it hasn’t been even discussed.”

Woods admits lack of golf has left him undercooked

Tiger Woods has admitted he’s not “quite as sharp” as he’d like ahead of this week’s Open Championship. Woods will begin his quest for a fourth Open title at Portrush on Thursday, but his lack of playing time has not been the ideal preparation. “It’s not quite as sharp as I’d like to have it right now,” the 43-year-old said yesterday. “Today it was a good range session. I need another one tomorrow and hopefully that will be enough to be ready.”

Blades sign Morrison for Premier League season

Sheffield United have signed former Manchester United midfielder Ravel Morrison on a one-year contract. The 26-year-old, who began his career with United and has played for West Ham, Lazio and Queers Park Rangers, signed yesterday after impressing on the Blades’ pre-season camp in Portugal. “It’s great to be back in England again and to get my career kick-started again,” he said.

Bralsford: Thomas’s defence in best position

Team Ineos boss Dave Bralsford says Geraint Thomas’s Tour de France defence is “the best it could be” as the race nears the halfway stage. Thomas sits second, one minute and 12 seconds behind time leader Julian Alaphilippe after 10 stages, with team mate Egan Bernal in third. “To be where we are, second and third overall on general classification is probably the best it could be for us,” Bralsford said.

Harmer helps Essex go top of the Division One Table

Essex beat Warwickshire by 187 runs yesterday and top the table of the County Championship Division One table. Spinner Simon Harmer took 6-75 to dismiss the Bears for 213 at Chelmsford and maintain Essex’s 100 per cent home record this season. The 26-year-old has been a key part of Essex’s success so far this season.
LOTTO JACKPOT MUST BE WON

TONIGHT

DON’T MISS OUT

Rules & Procedures apply. Players must be 16+.