Mike Ashley wins battle of Wills with swoop on troubled retailer

ASHES CONCERNS were raised for over 1,000 jobs last night as it emerged that online retailer Boohoo appears set to snap up British brand Karen Millen. Sky News reported that negotiations continued into the late hours, with the deal to be finalised when Deloitte is appointed as administrator to Karen Millen. One of the UK’s best-known high street brands, Karen Millen was put up for sale by its Icelandic owners in June. The six-week process was led by Deloitte.

Karen Millen, which has expanded across 50 countries, made a loss of £1.4m last year. Sources told Sky last night that the firms were being bought through a process called pre-pack administration. It was inevitable after the company was hit by tough conditions on the high street, they said. One analyst told the broadcaster that most of the company’s 1,100 workers are likely to lose their jobs.

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HARRY ROBERTSON @harryrobertson

China’s currency slumped against the dollar yesterday to a level not seen since the financial crisis, sparking a global equities sell-off amid fears of a further escalation of trade tensions. The renminbi, which the Chinese government lets fluctuate two per cent either side of a set figure, fell to an 11-year low so that one dollar bought 7.0458 yuan late last night.

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The City View

Boris has his work cut out on regional growth

For the populist left-wing, typified by Jeremy Corbyn, there are few problems that can’t be solved by taxing the rich. But who exactly are they? A new report by the Institute for Fiscal Studies (IFS) sheds some light on this much-maligned demographic. To be in the top 10 per cent of income tax payers you need to earn a little over £50,000. To be in the top one per cent you need to bring home three times that, while the top 0.1 per cent earn more than £650,000 before tax. The disparity is enormous. It is, as they say, the difference between the haves and the have-yachts. But the findings are clear on one point: the UK’s top earners are predominantly male, middle-aged and living in London or the south east. Aside from the glaring gender disparity, the figures lay bare the country’s geographical imbalance. Boris Johnson has been keen to trumpet his credentials as a One Nation Tory, pledging to unlock the UK’s potential beyond the border of the M25. But how will this work when high productivity and top earners are concentrated, by and large, in one corner of the country? This is the challenge for policymakers. Should we increase the tax burden on top earners and hope that Whitehall can successfully redistribute it? Or should we invest in and incentivise growth and innovation in the regions? Johnson, to his credit, favours the latter approach. The £1.8bn NHS cash boost, along with regional infrastructure spending and an aim to roll out full-fibre broadband by 2025, demonstrate – in theory, at least – his commitment to life outside London. As Brexit reverberates through British politics, the north-south divide is even more acute, and there’s no doubt the Prime Minister has northern Leave voters in mind when he makes his promises. But the IFS figures show just how important concepts such as the Northern Powerhouse could be for harnessing the country’s potential after we leave the EU. Regional connectivity, infrastructure investment and greater devolution could all, in time, reduce our reliance on London’s top earners. Paul Johnson, director of the IFS, also warned of the pernicious effects of fiscal drag, where tax thresholds swallow earners for whom the 40p rate was never intended. Johnson should act to tackle this, alongside his plans for regional growth.

It is the difference between the haves and the have-yachts

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Around the World in 126 Days

Spitfire pilots set off on epic trip for first round-the-world journey in classic WWII plane

Two British aviators are set to take a classic Second World War Supermarine Spitfire on tour, reaching 30 countries and covering more than 43,000 kilometres on their round-the-world journey. The first leg of the trip started yesterday and will take Matt Jones and Steve Boulter Brooks to Iceland, Canada and the US. Engineers stripped the WWII fighter, which was built in 1943, of its weapons and peeled back its paint to reveal the shiny metal underneath.

HSBC top dog dumped as bank culls 4,700 job roles

HSBC has axed thousands of jobs and sacked its chief executive, in an abrupt about-turn at Europe’s biggest bank yesterday.

Less than an hour after boss John Flint fell victim to a top-level reshuffle after 18 months in the job, chief financial officer Ewen Stevenson said as many as 4,700 people could join him in being made redundant. The high-street lender hopes to trim long-term costs by reducing its global salary bill by four per cent.

A spokesperson declined to comment on whether any of the bank’s 42,000 UK workers, 18 per cent of HSBC’s 237,000 strong total employees, would be laid off.

The announcements come despite solid half-year results. Pre-tax profit rose to £12.4bn (£10.2bn) for the first six months of the year, a 16 per cent improvement from 2018. Revenue was up eight per cent at £29.4bn.

The firm said yesterday it needed a change at the helm to deal with a “challenging global environment”. Flint is stepping down “by mutual agreement”.

London-headquartered HSBC, which makes more than 80 per cent of its profit in Asia, said that its global commercial banking unit head Noel Quinn will be interim chief executive. The board will consider external candidates for the role.

In its lacklustre US division, HSBC admitted it was unlikely to meet its six per cent return on average tangible equity target by 2020. This was in part because of falling interest rates in the US, and “geopolitical issues” which “could impact a significant number of our major markets”.

Shares closed down three per cent.
Retail growth dragged down by in-store sales

JESS CLARK
@jclarkjourno

LAST month was the worst July on record for retail sales growth, according to new data, in the latest blow for the struggling industry.

Total sales growth was 0.3 per cent in July – compared to an increase of 1.6 per cent last year – the lowest level recorded for the month since records began in 1995.

The slump was driven by falling retail sales at bricks and mortar stores, not including food purchases, which declined four per cent on a like-for-like basis in the three months to the end of July.

Helen Dickinson, British Retail Consortium chief executive, said: “The challenging retail environment is taking its toll on many high street brands who must contend with rising import costs, a multitude of public policy processes and administrative tasks and ever higher business rates.

“A coherent strategy for retail is needed. The government should freeze future business rates rises and fix the appeals system before embarking on a wholesale reform of this broken tax system.”

Online retailers also struggled during the month as non-food sales growth slumped from 7.5 per cent in July 2018 to 3.7 per cent last month, according to the latest data from the British Retail Consortium (BRC) and KPMG published today.

Meanwhile data from Barclaycard showed that consumer spending in department stores contracted by 3.9 per cent last month.

Sales in leisure items such as cinema tickets and meals out, which grew 14.8 per cent and 10.1 per cent respectively, helped boost overall spending.

However, total spending growth for the month was just 1.7 per cent, following consumer spending growth of 1.1 per cent and 0.9 per cent in May and June respectively.

Tesco slashes thousands of jobs across its entire Metro network

AUGUST GRAHAM
@AGraham8

TESCO is set to slash around 4,500 jobs across all of its 153 Metro stores as it battles with tough trading conditions.

The cutbacks will reduce processes and administrative tasks across the stores, it said. It comes after the company discovered 70 per cent of customers use Metro stores – which were designed for the weekly shop – for daily purchases.

The changes mean each store will carry fewer items in the stockroom, and start filling shelves in faster and simpler ways. Staff will have to work flexibly across the store to focus resources. It also promised a “leaner management structure”.

Shopworkers’ union Usdaw called on the government to “tackle the crisis in retail”.

Privacy regulators worried by Facebook’s crypto plan

AUGUST GRAHAM
@AGraham8

THE UK information commissioner has joined global regulators voicing worries over Facebook’s plans to launch its own cryptocurrency.

Elizabeth Denham said she was “concerned” over the lack of detail on how Facebook and its partners will handle personal information.

“There is the potential to combine Facebook’s vast reserves of personal information with financial information and cryptocurrency, amplifying privacy concerns about the network’s design and data sharing arrangements,” Denham said.

In a joint statement she joined regulators from Canada, the EU and the US to demand answers from the company. They referenced the social network’s past failures on privacy.

Last month ministers from the G7 pushed back against Facebook’s plans. They fear tech giants are getting too involved in areas usually reserved for governments.
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ACTIVITY in the UK services sector edged up to a nine-month high in July, a closely-watched survey showed yesterday, but stayed well below the post-financial crisis average.

Growth in services, which makes up over 70 per cent of the UK economy, helped GDP expand last month despite falling output in both manufacturing and construction.

The services purchasing managers' index (PMI) rose to 51.4 in July, up from 50.2 in June and above the 50 no-change mark for the fourth month in a row, data provider IHS Markit and the Chartered Institute of Procurement and Supply (CIPS) said yesterday.

“IHS Markit’s gauge of the overall health of the economy rose to 50.3 in July, only just escaping contraction.”

The overall picture is one of an economy that is only just managing to skirt recession,” said Chris Williamson, chief business economist at IHS Markit.

He said July’s performance was “among the worst since the height of the global financial crisis in 2009”. The UK economy has slowed in recent months as business investment and manufacturing have suffered under Brexit uncertainty and a global slowdown. The Bank of England predicted last week that growth stagnated in the second quarter.

Household spending, driven by low unemployment and rising wages, has propped up the economy.

The increased services business activity in July was driven by a solid rebound of new work, with a number of survey respondents saying the weak pound helped them sell more to clients abroad.

However widespread reports resurfaced that domestic political uncertainty held back decision making by clients, particularly large companies.

“Even growth in the service sector remains worryingly subdued,” said Williamson. “The best performing sector was consumer services, highlighting how the economy remains dependent on consumer spending to avoid contraction.”

Ad industry urges Prime Minister to ditch junk food ban proposal

JAMES WARRINGTON

The advertising industry has urged Prime Minister Boris Johnson to rethink “onerous” restrictions on ads for unhealthy food amid concerns over the economic impact.

In a letter to Johnson, the Advertising Association (AA) said that while it supported the government’s ambition to reduce childhood obesity by 2030, plans to crack down on adverts would not achieve that aim.

Under the proposals, advertisers will face a 9pm watershed when promoting products high in fat, salt or sugar on TV and online.

The AA warned the move would have “severe impacts” on media revenue and the wider supply chain.

In addition, the industry body has argued that an ad ban would do little to address the fundamental causes of childhood obesity.

The AA cited government analysis in its letter to Johnson, which showed the proposed restrictions would only remove around 1.7 calories per day from children’s diets.

BORIS Johnson has insisted his £1.8bn cash injection for NHS hospitals is “new money”, amid claims that the cash has already been earmarked. The PM yesterday unveiled an £850m boost for 20 hospitals, alongside a £1bn uplift in capital spending.

BORIS Johnson denied using old Treasury cash for £1.8bn NHS boost
CITYAM.COM
06 | NEWS | TUESDAY 6 AUGUST 2019

Leading the electric charge

Announcing an exciting partnership between two leading mobility companies.

BP, the owner of the UK’s largest vehicle charging network, is teaming up with Didi, the world’s largest mobility platform, to roll out a network of charging hubs in China. Didi have 550 million customers and 600,000 electric vehicle drivers.

It’s part of our drive for cleaner transport, at home and abroad.

At BP it’s #NotBusinessAsUsual

Cuadrilla to bid for permission to continue fracking at Lancashire site

AUGUST GRAHAM
@AugustGraham

CUADRILLA will apply for permission to continue work at the UK’s most advanced fracking site as it seeks a way forward, despite regulation it claimed is stifling the industry.

Chief executive Francis Egan will ask Lancashire County Council to let the firm continue for another 18 months on top of the current period.

Its permission at Preston New Road is set to run out at the end of November, after 30 months.

However, Egan said, the firm will only have drilled or fracked at the site for 21 of those months.

The extra time would give Cuadrilla the chance to open two more wells on top of the two it has already drilled. It has permission already, but did not have the time, the company said.

It comes as the Oil and Gas Authority yesterday approved Cuadrilla’s plans to start fracking at its second well.

Shale gas proponents have pointed to British gas as a less carbon intensive way of meeting the UK’s gas needs. However, protesters worry that fracking can cause earthquakes, and contaminate groundwater.

Regulations force work to stop if tremors hit 0.5 on the Richter scale.

Prime property prices in London edge upwards

JESS CLARK
@jclarkjourno

LONDON’s prime property market made a slight recovery in the second quarter of this year, with prices edging 3.1 per cent higher than at the end of 2018.

Property prices returned to levels last seen 12 months ago, indicating that the bottom of the market may have been reached.

Sales activity picked up 21.4 per cent up on the previous quarter.

However, some sellers are being put off by lower prices, which are still down considerably compared to the height of the market.

The number of prime properties on the open market is down 12.5 per cent on last year, according to the latest London Prime Property Index by private bank Coutts.

The number of property listings in Kensington, Notting Hill and Holland Park is 25 per cent lower than one year ago.

A lack of housing stock in desirable areas could also be presenting hurdles for would-be buyers.

So-called Gazumping – where a second higher offer is accepted after an initial bid has been approved – is on the rise as competition ramps up among buyers with fewer homes to choose from.

However, the lack of supply is also contributing to the increase in prices seen over the last quarter.

Sales were concentrated in Mayfair and St James’s, which saw the biggest price rise of 4.1 per cent, reflecting the appeal of the central location and the fact that the lack of stock to meet demand is driving up prices.

Demand for family homes in outer-London prime areas such as Hampstead and Wimbledon has also remained strong.

Less than a third of homes in those areas are selling at a discount to asking price, compared to 47 per cent on average across the capital.

Alex Midha, a senior private banker at Coutts, said: “Managing the transaction is very important to ensure all parties are speaking to each other regularly and that the vendor and vendor’s agent are confident that the buyer is credible and proceedable.”

Stelios urges investors to reject Icamap’s £139m Easyhotel deal

JOE CURTIS
@joe_r_curtis

EASYHOTEL founder Sir Stelios Haji-Ioannou has called on shareholders to reject a £139m bid for the business, saying it fails to recognise the company’s “true value”.

Real estate fund Icamap made the £5.34 per share offer for the hotel chain yesterday alongside developer Ivanhoe Cambridge.

Haji-Ioannou, who remains a 27 per cent shareholder via his

Easygroup investment firm, said the offer is “very low”.

“I urge all other shareholders to take no action until the true value and future potential of Easyhotel can be evaluated,” he said.

Icamap’s offer represents a 34.8 per cent premium to last week’s close of 70.5p per share. Haji-Ioannou said the share price has been much higher in recent years.

“It should be noted Icamap themselves paid 110p only 18 months ago and the stock has been as high as 128p just 15 months ago.”

FINTECH LEAK

Monzo asks a fifth of its users to change PINs after security bug

DIGITAL challenger bank Monzo urged users to change their PINs yesterday after admitting a data breach allowed members of staff to access security information.

Around a fifth of customers were affected by the leak, which has now been resolved.

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Private equity investments hit five-year low

ANNA MENIN

PRIVATE equity investment in the UK has hit its lowest level in five years, as continued economic and geopolitical uncertainty has left vendors too nervous to put assets up for sale.
A study of UK transactions involving private equity investors during the first half of the year showed that both deal volumes and deal value have dropped below 2014 levels.

The research, by auditor KPMG, found that 384 deals were completed between January and June 2019, with a combined value of £26.5bn. This compares to 483 completed deals totalling £31.5bn during the first half of 2014.

This year’s figures also represented a significant decline compared to the same period in 2018, with deal volumes down 35 per cent from 594 to 483, and deal values down 40 per cent from £47bn to £33.5bn.

The number of first-half deals involving private equity in the UK’s middle market also fell dramatically, to 190 from 250 in the same period last year.

However, the total value of these deals increased, bucking the downward trend seen elsewhere in the market.

Jonathan Boyers, head of mergers and acquisitions at KPMG, said: “Investors are currently eschewing those higher-risk transactions that they may have been willing to undertake a couple of years ago.”

Uncertainty over Brexit is continuing to shape both investor and vendor behaviour, he added.

“However, once the Brexit conundrum is resolved, we may see a flurry of asset sales, investment activity and deal making as both sellers and buyers look to make up ground following this lengthy period of uncertainty,” Boyers said.

Top Article 50 lawyer facing disciplinary tribunal over dishonesty allegations

JAMES BOOTH

THE VICE president of the Law Society is set to face a disciplinary tribunal over claims of dishonesty.

Davies argued that his former company Ecow Power instructed Edwin Coe, and that he was never personally a client of the firm.

He also alleged that Greene was dishonest in previous hearings on the matter, misleading the court in his evidence to claim Davies was personally a client of the firm.

Greene said: “This complaint has no substance as the courts and the SRA [ Solicitors Regulation Authority] have concluded on several occasions.

We are applying to strike it out as an abuse.”

Greene, who is set to become president of the Law Society next year, advised Deir Dos Santos on his challenge statements made by the head of the Financial Conduct Authority (FCA) about information given to investors in Neil Woodford’s suspended Equity Income Fund.

In evidence given to the Treasury Select Committee (TSC), Andrew Bailey, who leads the FCA, had said that the possibility of suspension was “very clearly set out” in investor materials.

In a letter to the TSC sent earlier this month and released yesterday, Santos said he disagreed this was a “fair warning to investors”. Responding to the letter, an FCA spokesperson said the regulator “does not agree with the AIC’s interpretation”.

Calls for warnings over risks of Woodford-style suspensions

ANNA MENIN

INVESTORS should be given clearer warnings about the risks of fund suspensions, the head of an industry body has said.

Ian Sayers, from the Association of Investment Companies (AIC) has challenged statements made by the head of the Financial Conduct Authority (FCA) about information given to investors in Neil Woodford’s suspended Equity Income Fund.

In a letter to the TSC sent earlier this month and released yesterday, Santos said he disagreed this was a “fair warning to investors”.

RESPONDING to the letter, an FCA spokesperson said the regulator “does not agree with the AIC’s interpretation”.

SVS Securities braced for probe as broker goes bust

SVS Securities braced for a regulatory probe as broker goes bust.

STOCKBROKER SVS Securities has collapsed into administration and will face a regulatory investigation amid “serious concerns” about its business.

Administrators at Leonard Curtis have invested clients’ money.

The FCA has urged clients to make urgent supervisory work and identify serious concerns about the way the business was operating.

The regulator said it has also launched a probe into the broker over unspecified concerns about the way it had invested clients’ money.

Acting on intelligence received about the assets in which SVS invested clients’ money, we conducted urgent supervisory work and identified serious concerns about the way the business was operating,” the FCA said.

FINANCIAL services staff with poor conduct records are still able to move to new firms, despite efforts to improve conduct in the sector, the City watchdog said yesterday.

A review by the Financial Conduct Authority (FCA) found that “rolling bad apples” continued to be an issue, despite tougher new regulations.

The regime, introduced in 2016, aimed to clean up the finance sector after banks were fined billions of pounds for trying to rig interest rate benchmarks and currencies.

The regime aims to make senior staff at finance firms directly accountable for their actions.

In its review of the regime, the FCA found “the majority felt that the industry had some way to go to improve the quality and timelines of references. Another challenge for firms is that other firms are not always consistent in recording breaches of the conduct rules.”

The FCA said the research showed there was now “a stronger framework than ever” to hold bad actors to account.

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NEW CAR sales were hampered last month by confusion over Brexit uncertainty, despite a spike in transactions involving pure electric vehicles.

Britain’s new car market shrunk 4.1 per cent in July, its fifth straight month of decline, according to the Society of Motor Manufacturers and Traders (SMMT).

Just 157,198 cars were registered over the course of the month. Orders from business customers fell 22.5 per cent, while two per cent fewer sales to individuals took place.

Diesel cars increasingly look set to become a thing of the past in the coming years due to strict regulation across Europe. Sales fell 22.1 per cent, their 28th straight monthly decline.

Plug-in hybrid electric car sales nearly halved, on the back of the government’s decision to cut certain subsidies for people buying them.

However, a ray of light for the car industry was a sharp spike in demand for pure electric cars, which almost tripled to take a record in monthly market share.

Forecasts by the SMMT predicted electric cars’ share of the market could double over the course of 2020. The trade body expects people will buy more than 51,000 of the vehicles next year, around two per cent of the total market.

SMMT chief Mike Hawes said: “Despite yet another month of decline in the new car market, it’s encouraging to see substantial growth in zero emission vehicles. Thanks to manufacturers’ investment in these new technologies over many years, these cars are coming to market in greater numbers than ever before. If the UK is to meet its environmental ambitions, however, government must create the right conditions to drive uptake, including long-term incentives and investment in infrastructure.”

Historic shipyard Harland and Wolff built the Titanic between 1909 and 1911.

Titanic shipyard Harland and Wolff sinks into administration

The shipyard, which built the Titanic between 1909 and 1911, traces its history back to 1861. It has struggled in the face of stiff competition from abroad, and made a loss of £5.8m in 2016 – the last year for which it filed accounts.

Harland and Wolff’s 130 staff have been given redundancy notices. BDO was appointed as administrators yesterday afternoon, though the firm has yet to file formally.

AEROSPACE services firm BBA Aviation’s share price fell yesterday as it announced a slight deterioration in first-half profit.

The firm, which provides the global aviation industry with fueling, ground handling and passenger services, said a cooling sector was partly to blame for the lacklustre results.

Shares fell as much as three per cent yesterday. BBA’s pre-tax profit fell to £150.2m in the first half of 2019, a two per cent year-on-year drop, while revenue increased 19 per cent to £1.53bn.

Free cash flow was £129m at the end of June, a 13 per cent increase, while net debt grew seven per cent to £1.34bn.

Revenue at its Signature unit, which makes up about four-fifths of the overall business, increased 23.3 per cent. Private equity firm Ontic’s revenue grew 28.2 per cent.

BBA’s completed sale of Ontic to CVC Capital Partners followed hot on the heels of fellow aviation supplier Cobham agreeing a blockbuster £4bn takeover by a US private equity firm.
Quilter to offload its life assurance arm for £425m

ANNA MENIN @annamenin
QUILTER plans to sell its life assurance business to rival Reassure for £425m as it tries to streamline its operations.

The FTSE 250-listed asset manager, formerly known as Old Mutual Wealth Management, hopes to complete the deal later this year, subject to regulatory approval.

Yesterday’s announcement came as Quilter reported a first-half operating loss of £40m, but said adjusted pretax profit rose five per cent to £115m.

Assets under management in the first half rose eight per cent during the first half of the year to £118.4bn.

Quilter Life Assurance made up £26m of Quilter’s profit, down from £37m for the same period last year.

In a statement released with the results, Quilter chief executive Paul Feeney called the figures “solid”, and said the firm’s board planned to return a “meaningful” proportion of the sale’s profits to investors.

“I am delighted we have agreed to sell Quilter Life Assurance to Reassure. Reassure is a highly regarded manager of closed book assets and has the experience to deliver continued high quality investment and administration services to clients of Quilter Life Assurance,” he said yesterday.

“We are focused on making Quilter a simpler, more efficient wealth management business, and the announcement today of the sale of Quilter Life Assurance is a further significant step forward in this regard,” he added.

Feeney said that new business sales have “held up well” at £6bn in the UK’s “uncertain political environment”.

Shares closed down just over two per cent – a fairly neutral performance amid widespread falls across the stock exchange during yesterday’s Brexit and trade war-tiried trading.

Reassure’s owner Swiss Re said the acquisition will add over 200,000 policies and £14bn of assets to the firm, which scrapped plans for a £3bn float last month.

In June Quilter completed the acquisition of national advice firm and network Lighthouse for £46.2m, adding 390 advisers to its business.

Earlier this year, in February, it bought financial planning business Charles Derby.

Quilter said a delay to the construction of its new UK platform would incur additional costs to the business of around £25m, on top of the £160m already allocated.

The firm said these costs will account for incremental call centre capacity and technical support.

Facebook slammed over failure to crack down on fake reviews

JAMES WARRINGTON @j_a_warrington
FACEBOOK is failing to crack down on a “thriving” marketplace of fake reviews on its website, despite being told by regulators to tackle the problem, a new investigation has revealed.

Consumer group Which found dozens of groups on the social media site that recruit people to write fake reviews on e-commerce sites such as Amazon in exchange for free products.

The Competition and Markets Authority (CMA) issued a warning in June to both Facebook and Ebay, urging them to clamp down on the burgeoning marketplace for fake and misleading online reviews.

But the continued presence of dozens of these groups on Facebook will spark concerns about the effectiveness of the social media site’s response.

Which called on the CMA to take action against Facebook over its failure to remove the groups.

A Facebook spokesperson said: “We don’t allow people to use Facebook to facilitate or encourage false reviews. We have removed nine of the 10 groups reported to us and are investigating the remaining group.”

Switzerland’s central bank hikes currency buying to tame franc

JOHN REVILL
THE SWISS National Bank (SNB) appeared to be buying foreign currency again last week as escalating trade tensions pushed the value of the safe-haven Swiss franc higher against the euro.

 Sight deposits, a proxy for the central bank’s currency interventions, rose by SFr1.6bn (£1.4bn) to SFr582.7bn last week, according to data published yesterday.

The increase, following a SFr1.7bn rise the week before, seemed to show the SNB had continued its foreign currency purchases to stabilise the franc, analysts said.

Reuters
Dialight shares fall on chair exit and poor results

JAMES BOOTH

DIALIGHT shares fell yesterday on the release of its “disappointing” half-year results and the exit of its chairman.

The LED lighting company posted a £3.7m loss for the first half of 2019, down from a profit of £2.2m for the same period the previous year.

Revenue fell to £27.1m, down two per cent on the first half of 2018.

The firm said its net debt position stood at £11m, compared to a net cash position of £7.3m in the first half of 2018.

Shares fell 5.1 per cent to 370p, after making gains last Friday.

Marty Kapp, group chief executive, said: “Lighting revenues were impacted by some softening of end markets and delayed market share recovery.”

The company also said yesterday that its chairman Wayne Edmunds is stepping down, having taken up the role in January 2016.

He is being replaced by non-executive director David Blood with immediate effect.

The new chairman comes after Kapp announced last month that he is to step down as chief executive this month, with finance chief Furial Khanabi taking the reins as interim boss while the firm hunts for a permanent successor.

Other retailers have already stopped selling HTC handsets

AUGUST GRAHAM

TAWANESE phone maker HTC has pulled its handsets from shelves in the UK as it deals with the fallout from an intellectual property dispute.

All phones on the UK version of HTC’s website were yesterday listed as “out of stock”.

They were still available to buy on its US website.

The firm is locked in a copyright dispute with German research and development company Ipcom.

The two are arguing about a wireless technology developed for car phones.

City A.M. could not reach HTC for comment last night.

It told the BBC, which first reported this story: “As a leading innovator, HTC takes intellectual property issues very seriously.

“We are proactively investigating an infringement claim by a third party and respect to a single handset model.”

Some of the phones are still available through Amazon.

Google turns to recycled plastic in green drive

PARESH DAVE

ALPHABET’s Google yesterday announced that it would neutralise carbon emissions from delivering consumer hardware by next year and include recycled plastic in each of its products by 2022.

The new commitments step up the competition among tech companies aiming to show consumers and governments that they are curbing the environmental toll from their gadgets.

Anna Meegan, head of sustainability for Google’s devices and services unit, said the firm’s transport-related carbon emissions per unit fell 40 per cent last year compared to 2017 by relying more on ships instead of planes to move phones, speakers, laptops and other gadgets from factories to customers across the world.

The company will offset remaining emissions by purchasing carbon credits, Meegan said.

Three out of nine products for which Google has detailed disclosures online contain recycled plastic, ranging from 20 per cent to 42 per cent.

ANNOUNCEMENTS

LEGAL AND PUBLIC NOTICES

CITY OF LONDON

THE PLANNING ACTS AND THE ORDERS AND REGULATIONS MADE THEREUNDER

This notice gives details of applications registered by the Department of The Built Environment. The Planning Code: FULL/FULMA/FULEA/FULMA/FULL – Planning Permission; LBC – Listed Building Consent; TPO – Tree Preservation Order; Outline – Outline Planning Permission

10 Bolt Court, London, EC4A 3DQ 19/0024/FULL

Replacement of the existing balastrading, installation of new decking and planting at roof level in association with the formation of a roof terrace for use by occupiers of the building between 9am and 6pm with the exception of 15 times a year when this would be extended to 16pm. (Amended Description, revised drawings and supplementary information).

11 Gough Square, London, EC4A 3DE 19/0060/FULL

Replacement of principle entrance doors and side panels.

130 Fenchurch Street, London, EC3M 7DJ 19/0073/FL/MA

Application under Section 73 of the Town and Country Planning Act to vary condition 3B (approved plans) of planning permission dated 20th March 2019 (18/00895/FULMAI) to enable minor material amendments to the include: (i) revised facades to provide an alternative glazing solution including associated external changes; (ii) minor alterations to the internal layout of the building as a result of the proposed alternative glazing solution; and (iii) other minor associated changes.

10 Carbis Street, London, EC4M 7EB 19/0073/FL/MA

Change of use at ground floor and basement levels from a Cafe (A3) to a 3 Star Gourmet use (N2 and Beauty Salon) (77q.m)

Barbican Estate Highwalks, London 19/0074/FL/MA

Installation and display of 99 non-illuminated signs throughout the Barbican Estate Highwalks to replace existing signs and to provide signs in new locations.

Barclays European HQ, London 19/0075/FL/MA

Installation and display of external illuminated fascia signs on the Broad Street elevation.

Applications can be viewed at www.planning2.cityoflondon.gov.uk or at the Department of the Built Environment, North Wing, Guildhall, Basinghall Street, London EC2, between 9.30 am and 5.30 pm. Responses must be made within 21 days of the date of this newspaper online or as set in Planning Comments@cityoflondon.gov.uk or the Chief Planning Officer, PO Box 370, Guildhall, London, EC2P 2EY. In the event that an appeal against a decision of the Council proceeds by way of the expedited procedure, any representations made about the application will be passed to the Secretary of State and there will be no opportunity to make further representations.

FORUM

E U rules mean that it’s difficult to offer the incentives that have made freeports a success elsewhere

ROBERT COVILLE

Page 14

Society and Comic Relief. The Ned also partners with charities Hospitality Action, CookforSyria, Kitchen Social, StreetSmart and SleepSmart. We raised over £30,000 for our partner charities in 2018.

How will you celebrate CGD?

We’ve got a few initiatives in place, including a staff party and we’re adding a £1 voluntary donation on restaurant bills over £30 for the day. Individual teams at The Ned will come up with their own ideas from hosting staff yoga classes to a bring and buy sale.

Join us and register now at www.thelordmayorsappeal.org/cgd

We’re delighted to be a part of City Giving Day as we’re proud of our community. We look forward to supporting two incredibly worthy causes.

Gareth Banner, Managing Director of The Ned

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FTSE tumbles as US-China tensions fuel asset sell-off

S
tock market indexes fell sharply yesterday, joining a sell-off in global equity markets, as US-China trade tensions prompted investors to seek safe-haven assets, while Ocado and Marks & Spencer (M&S) fell after sealing a deal to set up an online food joint venture.

The FTSE 100 shed 2.5 per cent in its worst day since early December, while the mid-cap FTSE 250 sank 2 per cent and hit its lowest level in five-and-a-half months.

Markets have been alarmed by President Donald Trump’s action to slap 10 per cent tariffs on $300bn in Chinese imports, prompting China to vow to retaliate.

With dealers shunning equities, gold prices jumped to their highest level in more than six years yesterday.

Metal miner Fresnillo added 4.7 per cent and was the only blue-chip stock that closed in the black. M&S and Ocado fell 5.1 per cent and 4.6 per cent respectively, following their online food venture deal that will result in the termination of Ocado’s current deal with Waitrose.

To appear in Best of the Brokers, email your research to notes@cityam.com

AEROSPACE

Aerospace engineer Senior’s profits fall after Boeing 737 Max grounding

AEROSPACE engineer Senior has become the latest aerospace supplier to feel the sting of the crisis described by the US-China trade war.

Senior makes sensors and other high-tech parts for commercial jets and defence customers. Boeing is one of its most important customers.

The FTSE 250 firm, one of British aerospace’s mainstays since before the Second World War, warned in April that the groundings would hit its aerospace unit’s margins for the rest of the year.

The department accounts for nearly three-quarters of total revenue and supplies parts directly to Boeing as well as engine suppliers and other customers.

Firms like General Electric and France’s Safran, which help make the jet’s engines, have also cut production rates while Boeing deals with the crisis.

Chief executive David Squires said: “Notwithstanding the reported 737 Max production rate cuts and the ongoing uncertainty around the current global macroeconomic backdrop, overall the board expects to meet current expectations for 2019.

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Diageo invests £180m in green African breweries

Diageo’s African portfolio includes Tusker, Bell, which is Uganda’s oldest beer, Serengeti and local spirits including Kenya Cane and Uganda Waragi.

Diageo chief executive Ivan Menezes said: “We believe this is one of the biggest single investments in address- ing climate change issues across multiple sub-Saharan markets.”

Under the new plans Diageo will switch to renewable energy at three breweries in Kenya and Uganda.

Plants also include a new water recovery, purification and reuse facility across five sites, which could save more than 2bn cubic litres of water each year. Solar panels will be installed at 12 breweries across six countries, which are expected to produce up to 20 per cent of each brewery’s electricity demand.

CITY MOVES

WHO’S SWITCHING JOBS

ACCOR EUROPE

Accor has announced that Karelle Lamouche has been appointed chief commercial officer for Europe. In this newly created role, Karelle will lead Accor’s European commercial team with responsibility for driving the business revenue strategy for the company and its partners across all European markets.

Karelle has been with Accor since 2003, most recently as senior vice president (SVP) for sales and marketing in Benelux and Nordics. Prior to that she was SVP for sales and marketing in northern Europe, which includes the UK, Benelux and Nordics.

She previously worked for KPMG prior to joining the Serious Fraud Office in 2004 where he has worked in a number of different roles, including being head of proceeds of crime for four years and also acting as interim director after the departure of Sunil Garg, global head of Citi Commercial Bank, and David Livingstone, Citi chief executive officer, to its forensic practice. Mark will join KPMG as a special adviser in November in a client facing role, where he will be focusing on major corporate and high value finances, as part of the global fraud and anti-money laundering programme.

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OVE Island has once again graced our screens this summer. Six million of us watched for eight weeks as bronzed, toned millennials took to reality TV in search of true love – not to forget a £50,000 cash prize, lucrative brand deals, and an army of followers.

While it may appear indulgent to get so invested in these seemingly vapid personalities, there are important lessons that can be drawn from the drama of the show. This year’s islanders have presented us with a display of the most toxic behaviour yet – but that is not necessarily a bad thing.

Love Island is meant to represent a microcosm of our society, and it has brought awareness to noxious alliances – and how to prevent them. Enter the toxic office relationship.

Disputes ranging from low-level bickering to the more serious, messy workplace wars disrupt productivity and make the office an unpleasant space. While a colourful villa on the isle of Majorca seems alien to the open plan modular, offices of the City, both locations are susceptible to the petty world of gossip and jealousy.

Perhaps it’s the common phenomenon of gaslighting that plagues your office: psychological manipulation inflicted on one person with the aim to make them doubt the authenticity of their own emotions. We saw this happen between contestants Amber Gill and Michael Griffiths. Rather than accepting responsibility for his wrongdoings, Michael repeatedly called his partner childish for daring to confront him about his behaviour. Amber’s emotional resilience throughout her time in the villa ultimately awarded her the winning title. She and her partner Greg O’Shea were not the most established couple, but Amber’s condemnation of Michael’s toxic behaviour and her refusal to submit to it resonated with the British public.

There were other instances of negative and manipulative behaviour throughout the series. Lucie’s friendships with the other male contestants alarmed her partner Joe – he brought up his concerns, telling her “I didn’t sit there staring vacantly into the distance, wondering how you’re going to move on from this. You’ve been living off takeaways for eight weeks, and your skin is now a dusty shade of grey. Even the daylight burns your eyes. Don’t worry, Love Island might be over, but there is a tonne of stuff you can watch on Netflix.”

In times of high pressure, colleagues often turn to blaming each other as an outlet for their emotion. It is important here to understand, like Amy did, that it is not in fact our fault, and that our own wellbeing matters more than pleasing others.

Many have criticised Love Island for broadcasting such toxic relationships, but that’s unfair to say. The show’s audience does not condone such behaviour – we learn from it.

Through the eyes of the contestants, we are exposed to the red flags of emotional manipulation. Ultimately, Love Island should be praised for condemning negative behaviour and defending those who are suffering at its hands.

If we were to transfer these values into the workplace, we would be more productive and more aware of warning signs that lead towards a toxic office relationship.

Hana El-chamaa is a freelance journalist.
Free ports could turn Brexit to our economic advantage

Robert Colvile is director of the Centre for Policy Studies.

THE LACK of diversity in technology is not a new issue. A study by Statista showed that female employees make up between 26 percent and 43 percent of the workforce at major tech companies. However, even this does not tell the whole story, as the number of women in engineering or product-focused jobs is even lower.

Diversity goes far beyond the presence of women in technology. Innovative boards recently found that only one in nine senior UK tech leaders come from black, Asian or minority ethnic backgrounds. This is a pressing challenge, since it has been proven time and again that diversity drives success – regardless of industry. And if organisations in the technology sector are to prosper, then diversity should be a boardroom priority. While this issue is one that can define the success of a business, it also has wider ramifications for society as a whole.

As day-to-day life becomes more driven by technology, the companies that create these products have a responsibility to produce great experiences for all their customers, and cater for everyone. But this is only possible with a diverse product team. Reflecting the diversity of our userbase across the wider team is therefore a huge competitive advantage to those companies that make it a priority.

Let’s take Amazon’s artificial intelligence-powered Rekognition service as an example. It came under fire after it incorrectly matched pictures of US Congress members to mugshots of suspects, and was called out as potentially damaging to communities of colour.

This is a symptom of an unconscious bias that is holding product development back around the world. Producing facial recognition tools that match a diverse populous

Of course, like everything to do with free ports, there are critics. One of the most common objections is that free ports are allowed by EU aid rules and that this is why we have to Brexiteer to get the benefits.

Well, that’s technically true. But it comes with severe qualifications.

As a member of the EU’s Customs Union, the UK does not control its own customs and tariffs. EU state aid rules mean that it is extremely difficult to offer the kind of incentives that have made free ports a success elsewhere – indeed, any attempt to provide them (for example, favourable tax treatment) can and will be challenged in the court system.

A United Nations study concluded that “free trade zones as originally conceived do not exist any more in the EU.”

The next claim – now being made by the Labour Party – is that free ports are no long competitive activity rather than generate it: firms move to the zones because of the tax advantages, leaving overall GDP unchanged.

But the evidence suggests that this isn’t the case. We all know that lower taxes and simpler regulation spur economic growth. There would be a particular incentive for manufacturing firms, since raw materials can be processed into high value products within free ports without incurring customs charges.

And even if growth were simply redistributed, it would still be a very good thing. Britain is a country with a very geographical inequality – and of the UK’s 30 largest ports, more than half are in the poorest parts of the country.

Free ports and accompanying low-tax zones may be just what’s needed to help these areas compete. That’s why Ben Houchen, elected mayor of Tees Valley, has been so vocal in his support of the idea: a detailed study for construction firms showed that more than 17,500 jobs could be created on Teesside alone.

Another criticism is that these free ports become lawless areas – a haven for all manner of ill-gotten wealth to be stored.

It’s true that the Geneva Freeport, the most famous such zone, has become a treasure trove of art and antiquities. But just because UK free ports would be outside our customs territory does not mean that they would be outside our jurisdiction.

British law would be enforced is a key attraction for investors. And one point is that we should focus on making sure that the customs regime across the entire UK is so sympathetic that there is no need for free ports at all.

If the British programme was as successful as the American one, it could generate around 86,000 jobs.

Businesses must wake up to unconscious bias in their product development teams

Claire Vo is senior vice president of product management at Optimizely.

PUTTING PEDAL power to the test

[Re: Cycling – a perfect blend of business and pleasure]

While Gary Lineker is correct in his belief that businesses should encourage people to “get on their bikes” and his suggestion that businesses should look at installing bike racks or ensuring that their employees have access to showers, his article overlooks the fact that, in the majority of cases, the real challenge is that the buildings we occupy were often not designed with cycle commuters in mind.

Without a doubt, the current provision of cycling facilities in the workplace is far below that required if we are to meet official targets for the number of people who use a bike to get to work. Research undertaken by Remit Consulting, in conjunction with the British Council for Cycling, found that property developers and investors can gain a competitive advantage with their properties through the provision of top-quality cycling facilities. This was underlined during a recent cycle tour of office properties within central London that we organised to provide property developers and investors with the opportunity to experience the facilities offered by a number of buildings from the perspective of cyclists.

Our ReTour event also revealed that the best facilities are those within buildings that have a diverse range of bicycle storage solutions. It is not simply enough to provide racks and showers as there is not a “one size fits all” answer. The popularity of folding bikes and the growth in the use of electric bikes are examples of the changing nature of cycling, and also confirm the need for a variety in the facilities provided.

If we are to encourage cycling as part of our business culture, these issues need to be addressed by landlords and property managers as much, if not more than, the businesses that occupy their buildings.

Neil Webster, Remit Consulting

BEST OF TWITTER

Dominic Cummings, one of Boris Johnson’s most senior advisers, has suggested that it is already too late for MPs to stop a #NoDealBrexit before October 31. But is he right?

@Telegraph

NEW: Dominic Grieve insists pro-Remain MPs can still stop no-deal Brexit by his ‘new direction’ from Dominic Cummings

@politicshame

The future of the UK and of Brexit now rests on which of these two ~ Cummings or Grieve ~ is actually the cleverest

@davidallongreen

On that Scotland poll: - It’s just one poll
- It’s within the margin of error
- It’s just one poll

- This might be a short term Boris/no deal talk effect
- Or it might be long term, especially if no deal actually happens
- Or it might be an outlier

- Because it’s just one poll

@harrydoran

LETTERS

To the Editor

Putting pedal power to the test
The next stage of the cannabis comeback will happen in Japan

Marc Davis

Cannabis has long been part of traditional medicine in Asia. In Japan, the earliest traces can be found as far back as 8,000 BC – this may be the earliest ever recorded.

It is only since the mid-twentieth century that usage has become heavily restricted, due to changing western opinions and the enforcement of UN drug treaties. As a result, attitudes across Asia have now become some of the most conservative in the world.

However, that stance is beginning to soften. Thailand’s recent legalisation of medical cannabis represents a watershed moment for the continent as they followed the lead of South Korea, who surprised many to become the first East Asian country to legalise medicinal cannabis in November 2018.

Experts now predict that other countries in the region will follow suit and legalise the plant for medicinal purposes. Prohibition Partners estimates that by 2024 the legal cannabis market in Asia – which is home to more than half the world’s population – could be worth upwards of $8.5bn.

And it’s estimated that Japan and China could share 90 per cent of this market – even though conservative attitudes in the two countries have become predominant, with laws that are still far stricter than in Europe or the US. This is evidenced by comparing recreational usage, where only 1.4 per cent of people aged between 15 and 64 in Japan have ever tried cannabis, compared to 29 per cent in the UK and 40 per cent in the US and Canada.

So why is the Japanese government now looking to heed the World Health Organisation’s proposal that cannabis be reclassified to reflect the mounting evidence of its medical benefits? It is not because of any change in Japan’s conservative values – it is instead an economic imperative.

For a while now, Japan has been facing a financially draining national crisis that Prime Minister Shinzo Abe wants to avert. The reason is that Japan’s senior citizens currently enjoy the world’s longest life expectancy, living for 85 years on average. This means that 33 per cent of the population is now over the age of 65, and that is projected to reach 40 per cent by 2060.

In fact, annual Japanese healthcare expenditure grew at a pace four times faster than the economy from 2000 to 2016 – the region’s spending on healthcare is estimated to reach $2.7 trillion by 2020. For a country with a shrinking number of taxpayers and rising national debt, this is a serious problem.

Within a few short years, this legal cannabis market will become one of the largest medical cannabis markets in the world within the next decade. Prohibition Partners’ report says that this market could reach $800bn by 2024.

The advantages of doing so are obvious. Faced with the dilemma where advances in medical treatments continue to put further strain on universal healthcare systems around the world, medical cannabis is an inexpensive and effective alternative to many treatments, especially as it is now widely viewed as a non-toxic and non-addictive substitute for pricey prescription drugs.

And signs indicate that Japan’s political leaders are aware of this. In 2016, the use of cannabis for medical purposes (i.e. CBD) became legal and the market has almost doubled in size year-on-year. In 2018, the government approved a clinical trial for Epidiolex, a cannabis compound that helps treat epilepsy, and about 40 farmers have been granted licences to grow plants so further research can be conducted into CBD.

If laws are relaxed further, Japan can then attract the expertise of foreign cannabis firms, ironically from the same western nations that originally convinced it to demonise marijuana.

Within a few short years, this legal and cultural transformation could herald a vibrant multi-billion dollar market that is open and accessible, making for another curious tale in Asia. In Japan, the earliest ever recorded.

Accessibility, encouragement, and changes to the rules could revolutionise the society, some argue that trading could become an entirely automated process, running the need for traders. But there is a different approach. Technology struggles to handle all qualitative factors – such as player injuries or the weather in sports trading, for example. These elements, from a calculation perspective or without real-time data points, affect probabilities and prices.

Data providers that hire specialist experts, data scientists, and mathematicians, and combine this with cutting-edge technology, are able to take a more quality approach to trading. Automation has undoubtedly come a long way, but evolved, expert human traders will always be vital in managing the exceptions when it comes to technology-driven systems.

Marc Davis is president of Capital Markets Media.
CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

Global uncertainty seems to be the theme dominating headlines and social media streams. The list is alarmingly long as the crisis in Iran continues with another tanker being seized; India has significantly ramped up tensions with Pakistan by revoking Kashmir's autonomous status cutting off all communications and deploying 10,000 troops. Let’s not forget that Pakistan and India are both nuclear powers; the 30-year old Intermediate Range Nuclear Treaty between the US and Russia abandoned. The US-China trade war is escalating widening to include currency devaluation; Venezuelan inflation has exceeded one million percent and the Hong Kong protests are sparking investor with China almost certainly about to lose patience before a totalitarian crackdown on the ‘Special Administrative Region’. What does any of this have to do with the Crypto Market? Since last week’s Crypto AM and at the time of writing, Bitcoin (BTC) is up 24% at $13,727.56; Ethereum (ETH) is up 12% at $223.47; Ripple (XRP) is up 96% at $0.328; Binance (BNB) is up 22.3 and Cardano (ADA) is up 50.0782. Overall Market Cap is up circa 18% at $315,30bn (data source: www.CryptoCompare.com).

Yesterday I spoke with my friend Naeem Adam, Think Markets’ Chief Analyst, to get his feel. “Bitcoin has soared over 200% year to date, outpacing all the top three coins by a huge margin and I think it is highly likely that Bitcoin could easily top this year’s high of $14,000. The bitcoin price had several battles with the 50-day moving average during the past few weeks, but finally the bulls have conquered this battle field.”

On the new currency war, The Chinese Yuan crossed the level of $7 for the first time and this is only because China clearly wants to devalue its currency. Donald Trump will have no choice but to actually retaliate against this action and he will do everything in his power to not let Beijing win this war. The escalation in the currency war means that the Fed will have to adopt ultra-dovish monetary policy, odds for another interest rate cut have jumped, and the only direction for the dollar is to the downside. We all know what does this mean for Bitcoin: it is going to explode and continue to move higher.”

As I mentioned last week the first official London meetup of Binance took place with Founder Changpeng ‘CZ’ Zhao taking centre stage reinforcing how approachable he is - I believe he met and shook hands individually with every single one of the 300 or so attendees – it was extremely impressive! For now Binance’s only footprint in the U.K. is Jersey. There are no immediate plans for a London office although, post Brexit, who knows? What he made clear to me is that he is committed to spending much more of his time in Europe.

Mattereum is a London fintech startup that knows how to get physical assets onto the blockchain, securely audited and correctly accounted for. They see blockchain as a tool for enabling trade not just for decentralizing finance, but for managing supply chains and ensuring digital methods to bear on the real world.

Their first product, the Mattereum Asset Passport, provides a legally binding framework for pre-auditing physical assets, and putting those audited assets onto the blockchain. An item - initially memorabilia, industrial components - has expert opinions from people in the know. Their assertions about the asset are tied to indemnifications or insurance policies in case of error. As the Mattereum team joke, “it’s true or you can sue!”

The Mattereum Asset Passport directly parallels the work done by Self Sovereign Digital Identity firms like Sovrin, uPort, or London’s own IDChains on identifying people for the blockchain ecosystem, but adds an aspect of “skin-in-the-game” to get outside verification experts like curators, assayers, valuation professionals and others to bring their expertise into the blockchain space.

Asset tokenization companies, as well as supply chain finance firms like Sweetchain, require secure and correct physical asset records on chain too. Mattereum’s huge potential has generated a lively buzz among both blockchain and traditional VC firms on anything and register it, and it then becomes unassailable.” Shatner has bold ambitions for the blockchain space! Vinay Gupta, CEO of Mattereum says “I want to create a world in which physical things tell us their own stories, can be searched like the web, bought, sold, optioned, composed - physical things which work like both data and financial instruments. Intelligent search for precise physical objects will revolutionize manufacturing, particularly in fields like aerospace and medical.”

Gupta has quite a track record in the blockchain space: he was the project manager for the Ethereum launch (and before that a refugee camp designer his humanitarian shelter is all over the Burning Man festival.) The booming market for tokenizing assets like real estate shows how big the appetite is for the blockchain to break into the real world. Mattereum’s vision of a world in which all manufactured goods have a blockchain “digital twin” that works like any other blockchain financial asset is compelling. Gupta adds “one day every important purchase a person makes will have a blockchain registry for guarantees, maintenance, resale, insurance, all built into the same digital twin. We will look back and wonder why we ever did it any other way.” Hering the digital and the physical world together has a big future. The trend can be found everywhere, from virtual reality to the fourth industrial revolution. The future is integrated.

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

What was the biggestaba moment? A simple way to explain Blockchain without getting buried in cryptography and deep tech. The example is easy to understand and share - and it is an explanation that a lot of blockchain pros will absolutely hate! A Blockchain is an Excel sheet with protected cells and potentially some macros. Lots of unrelated people have identical copies of the Excel sheet. Any single individual can update the Excel sheet, but only one at a time. And that’s it.

So now let’s take that apart: “A Blockchain is an Excel sheet...” You may have heard Blockchain referred to as a ledger. Ledger’s contain information related to business transactions. In a Blockchain, you can record data related to verification, transformation, and transformation of an asset. And you can query a blockchain to track and asset and asset. Each record in a blockchain will include a transaction ID, timestamp, source, destination and units of value transferred. You can put the same information into a single row in an Excel sheet. You can select several rows in the Excel sheet (several transactions) and agree that this group of rows be called a block.

“...with protected cells...” An Excel sheet allows for cells to be protected using a password. This means that cells are still readable, but that you can no longer change, edit, delete or amend the contents of these cells. Blockchains work in much the same way in that once information has been written into the Blockchain you can no longer edit, delete or amend the information. In Blockchain core principles we refer to this as the data being immutable.

“Lots of unrelated people have identical copies of the Excel sheet.” This is not the same a Google Drive where many people have identical copies of the Excel sheet. In the same way, multiple people have a copy of the data in the blockchain. In Blockchain principles we describe this as being distributed. Unlike a classic database run by a single entity, like a bank, multiple people have a complete copy of all of the transactions in the blockchain.

The more people who have a copy of the blockchain, the more secure the blockchain. Why? Because it becomes increasingly difficult for the data to be corrupted either unintentionally or intentionally by a bad actor. Everyone can see everyone else’s copy of the blockchain and then come to a consensus as to the current state of the blockchain as well as the validity of any future transactions.

“Any single individual can update the Excel sheet, but only one at a time” Anyone in the network has the right to add a new block of transactions to the Excel sheet. In Blockchain principles, we refer to this as being decentralized. In a blockchain, there is no central authority
A Blockchain is an Excel sheet with protected cells and potentially some macros. With the exclusive right to update the information in the blockchain.

In order to prevent conflicts, only one individual is able to update the blockchain at a time and once they complete the process, they send an update to everyone who holds a copy of the Excel sheet so that they can update their own copy. The same is true in blockchain, anyone can add a new block of transactions and then advertise the update to the rest of the network.

A Blockchain can be useful in situations requiring permissionless, transparent, secure, immutable recording of data. Some Excel sheets include macros. These are small pieces of code written in a real-world contract language. They are not run automatically but must be called explicitly by the user. They may connect to various other business assets and provide a digital representation of the data content, which we call a smart contract.

Some of these business assets may exist on a protocol which is fully decentralized, permissionless, and publicly accessible. This is the case for cryptocurrencies. Cryptocurrencies create a completely new paradigm for money. They have wanted to create their own money, but there have been many people who have wanted to create their own money.

The blockchain is a globally shared inventory of all transactions, which is tamper-proof and immutable. It is a distributed ledger that records all transactions in a secure and transparent manner. The blockchain is a distributed system that allows for the creation of trust and security in an environment where trust is hard to establish. The blockchain is a technology that can be used to create digital money.

TheXCryptocurrency, as it is neither decentralized, permission-less nor public, it quite clearly intends to be used as a medium of exchange, as an object of value, or merely a token. Unfortunately, today there is no broad agreement in the standard accepted definitions, the delineation for clarity of purpose is not clear.

A Warning for His Conduct When He refunded the matter. He is set to appear in front of a court of law. However, this is not my original idea but it is certainly something that piqued my interest and having re-read the piece, I believe there are some serious legs in this.

In the markets, Bitcoin (BTC) has continued to defy bearish expectations. A rally to $9500 ahead of the weekly open provided strong momentum for the asset to rise more than 23% over the week, surging past $1,000 to trade at the time of writing at $1,171. Ether (ETH) also benefited from the wave of bullish momentum. After slipping back below $200 ahead of the weekly open, ether’s value grew 10% over the week to trade at the time of writing at $229. Despite some strength on Monday, ETH has continued to consolidate, hovering around a combined market cap of $30 billion. BTC dominance has increased over the week, currently sitting at 68%.

Key assets to watch this week include Litecoin (LTC) and Tron (TRX). Litecoin saw its much-anticipated halving event on 3 August, reducing miner rewards from 25.1% to 12.5%. In the run-up to the halvings usually creating a price surge, Litecoin is currently trading at $39, having reached a high of $146 in June. Tron meanwhile, languished in recent weeks following reports of regulatory issues in China, as it is due to enhance the capacity of its content-sharing platform with the launch of the Sun Network on August 10th.

Blockchain could help scouge of doping in sport

With so many of these things available to buy or trade, how can anyone tell the difference between a cryptocurrency and another? To the purists, a cryptocurrency must exist on a protocol which is fully decentralized, permission-less and publicly accessible. This is the case with bitcoin. The advantage of having these characteristics is that cryptocoins are inherently censorship-resistant, unable to have a third party assert control over who uses it, and what they chose to do with it. Cryptocurrencies create a completely new paradigm for money. As bitcoin’s brand and value has grown, there have been many people who have wanted to create their own

project taking advantage of this new technological advancement of blockchain. Some are for cryptocoins and some for tokens to be used for other purposes. There are now a multitude of different tokens and coins in different categories including privacy coins, dApps tokens, security tokens and network coins. Most recently Libra has been proposed in a white paper from Facebook. While to the purists, Libra cannot be viewed as a true cryptocurrency, as it is neither decentralized, permission-less nor public, it quite clearly intends to be used as a digital currency to be used as a medium of exchange and value transfer with initial use within the Facebook family of applications. All of these coins and tokens currently fall under the umbrella of cryptocurrency. In time, the title will likely be extended to include all digital Assets with each entity having a clear delineation for clarity of purpose.

Other cryptoassets such as bitcoin and ether are examples of blockchain technologies, I’m constantly thinking of innovative ways to utilise this technology. As you’ll know from the other pieces I have written for Crypto AM, I do not think blockchain is the solution for everything. I play ice hockey at a semi-professional level, I’m actually in New Zealand playing for the SkyCity Stadium right now. I also studied Sports Performance at the University of Bath before life led me to blockchain. Even then I have been hypothesising ways that I could draw together my two passions - sport and technology.

This led me to read about the utilisation of blockchain technology in doping within sports. This is not my original idea but it is certainly something that piqued my interest and having re-read the subject I believe there are some serious legs in this.

WADA (World Anti-Doping Authority) analysed over 300,000 athlete samples in 2016. In this itself is not a large number, and as a standalone data point would not lead me to believe that this needs to be put onto a blockchain. However, this is starting to show that there are vast numbers of samples that reach much farther than what is on the surface.

On the world stage there is a huge amount of equity in sentiment and how sports are perceived by the general public. WADA goes to great lengths to ensure that they maintain their integrity, so there are many records of press releases about the latest cases and seizures of evidence. However, a blockchain is a way of solving this problem.

Cycling? Doping. Russian athletes? Drug cheats. Only recently in Australia, there has been a scandal surrounding Olympic swimmer Shayna Jack and how she had tested positive, but it was later found that she had tested positive for a banned substance. However, this is where the tricky part comes in. How can we trust the data going on to a blockchain for it to be a valid point of reference? We can reduce the risk, but to believe it can be eliminated would be naive. I haven’t figured this one out yet, but I will be watching this space.

Jon Walsh, Associate Partner Blockchain Rookies

WADA (World Anti-Doping Authority)
ENGLAND ON THEIR KNEES

I N THE END England surrendered the first Ashes Test meekly. The 251-run margin of defeat was unimaginable on the opening day, when Australia were reeling on 124/7 against a ravenous Edgbaston. And unimaginable for good reason: England have made history, registering the biggest loss of any Test side to have claimed a first-innings lead of 90 runs or more.

England did, of course, run up against the best batsman in the world, who played his best ever Test match to score a match-swerving 286 runs over 11 hours at the crease. Steve Smith was a very worthy man of the match.

Mitchell Starc to be unleashed, whether or not he doesn’t have what it takes to make the step up.

ENGLAND ON THEIR KNEES

ANDERSON BLOW

“IT was hard losing Jimmy early on, but these things happen.” That was how captain Joe Root attempted to play down Jimmy Anderson’s calf injury which significantly weakened England’s attack just eight overs into the match and could force a rethink of their strategy over the series.

England haven’t put a timeframe on Anderson’s return but, whatever the prognosis, their bowling attack, which is also without the injured Mark Wood, will be tested.

Much was made of England’s decision to include untested fast bowlers like those used against India last summer. Without the fact they didn’t offer much swing played into Australia’s hands.

A 1-0 deficit and an in-form and fired-up opposition to face Lord’s on 14 August, the repercussions will be great.

DENLY ON THIN ICE

While Burns’ 133 was a very welcome contribution to England’s top order problem, Joe Denly’s place requires action. Root moved up a place to No3 to protect the 33-year-old, but to no avail, with unconvincing scores of 18 and 11 alongside ineffectual leg-spin – leaving him high open to the chop.

There is always an argument that selectors can act too early, that frequent change creates instability, but the nature of Denly’s performances suggest he doesn’t have what it takes to make the step up.

With Australia recharging their battery of fast bowlers over the next week, with the potential for a fresh Mitchell Starc to be unleashed, whoever does bat No4 in the second Test can expect to be tested.

MERCURIAL MOEEN

Moeen Ali is the ultimate confidence player. He is the top wicket-taker in Test cricket over the last 12 months and yet after one poor game he looks likely to lose his place in England’s side.

While Australian off-spinner Nathan Lyon showed his credentials, bowling brilliantly to take nine wickets, including 6-49 in the second innings on a helpful Edgbaston pitch, Moeen looked shot, drained entirely of the attributes England want from him.

His batting has fallen off a cliff and, at the moment, his bowling is far from pulling its weight either. Somerseth’s left-arm spinner Jack Leach, who was man of the match against Ireland – albeit for his batting – could return to the side at Lord’s, the scene of his brilliant innings of 92, allowing Moeen some time out of the spotlight.

With a 1-0 deficit and an in-form and fired-up opposition to face Lord’s on 14 August, the repercussions will be great.

FRIED MINDS

Worryingly, Denly and Moeen are far from the only two out of form. If they are going to bounce back and come from behind to win the Ashes, England need vast improvements from the core of their team, which has gone from being a dependable powerhouse to a collapse waiting to happen.

“It gives us a chance to get away, regroup and make sure this doesn’t have a hangover effect,” said Root of the nine-day gap until the next game.

World Cup heroes Jos Buttler and Jonny Bairstow, who contributed 20 runs between them in four innings, must use the time well.

Sit back and enjoy big guns doing battle for $15m FedEx Cup

WHEN a $15m top prize for the winner, the FedEx Cup playoffs, which begin this week at the Northern Trust and conclude with the Tour Championship later this month, have become a huge event in the golf calendar.

The format of the competition doesn’t always make it easy to follow but the rewards on offer ensure top quality fields for the three playoff events which represent the climax to the PGA Tour season.

Google Maps shows the route to Target Field via the Interstate and Minnesota’s State Highway 61.

The World No1 Brooks Koepka and Rory McIlroy occupy the top places in the FedEx Cup standings and there’s an intriguing battle in prospect between them.

US PGA champion Koepka is in the strongest shape while McIlroy has also had a great year albeit without ending his wait for another Major. For others, the playoffs offer a chance to end the season on a high note. Justin Rose won the FedEx Cup last year and repeating that feat would be a great way to finish 2018-19. Tiger Woods will hope to reach the Tour Championship and defend the crown he won so memorably in 2018; Francesco Molinari has done nothing since his final-round collapse at the Masters, which is a shame; Dustin Johnson has had a so-so year by his very high standards.

Fancy Tommy Fleetwood to be bursting to do something this week, having gone so close at the Open last time out. He was also runner-up at the 2018 US Open at Shinnecock Hills which, like this week’s tournament at Liberty National, was held a stone’s throw from New York City. Open winner Shane Lowry, meanwhile, has had time for partying and re-fection and he’ll now be excited to get back to work as a Major champion.

Playing in your local area can go one of two ways: the presence of friends, family and supporters everywhere you look can create extra pressure, or the whole experience can spur you on.

For 26-year-old JT Poston, who landed his first win on the PGA Tour at the Wyndham Championship on Sunday in his native North Carolina, it was certainly the latter. And if that wasn’t special enough, Poston did so without dropping a shot, becoming the first man to go bogey-free on his way to a PGA Tour title since the great Lee Trevino in 1974.

What a way to make your breakthrough. England’s Georgia Hall couldn’t defend her title at the Women’s British Open but the event did see the emergence of another exciting new talent in Hinao Shibuno.

Despite this being her first Major and her first tournament outside of her native Japan, the 20-year-old saw off more experienced rivals with an incredible back nine of 31. Well done to her.

Golf Comment

Sam Torrance OBE is a multiple Ryder Cup-winning golfer and media commentator. Follow him @torrancesam

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A THE end of last season Uefa president Aleksander Ceferin called on Fifa to introduce new concussion protocols, stating they “need updating to protect both the players and doctors”.

It came after a year in which a number of footballers, including Tottenham’s Jan Vertonghen in a Champions League semi-final, were allowed to play on after suffering a blow to the head before being substituted during matches last season. And while the medical staff involved have come in for criticism, the need for football to introduce new concussion regulations has become increasingly apparent as the Premier League prepares for its big kick-off this weekend.

The Football Association and world governing body Fifa’s current guidelines dictate that players who lose consciousness should not return to the field, but that is only a symptom in around 10 per cent of concussion cases.

Additionally, it is not a protocol shared by European governing body Uefa, highlighting the lack of universal legislation that must be adhered to.

Fifa did, however, adopt Uefa’s three-minute assessment policy for the 2018 World Cup. But during that tournament Morocco fielded defender Nordin Amrabat in a match five days after he was hospitalised and lost six hours of memory. That incident came just a month after then-Liverpool goalkeeper Loris Karius suffered an undiagnosed concussion midway through the Champions League final.

CONCUSSION SUBSTITUTIONS

The pressure has since ramped up on Fifa to introduce new laws to protect players from serious, long-term damage. Temporary substitutions is one solution supported by brain injury association Headway. “Assessing a player for three minutes does not allow medical staff to make a reliable diagnosis,” says Headway chief executive Peter McCabe.

“Football should trial temporary concussion substitutions that would allow on-field assessments to be conducted. It’s also imperative that independent doctors, rather than club medical staff, should be able to make the ultimate decision as to whether or not a player is fit to continue.”

It’s a system that other professional sports have already implemented. A head injury assessment (HIA) was introduced in Rugby Union following the 2015 World Cup, allowing a team or independent matchday doctor to conduct a 10-minute off-field assessment while a temporary substitute replaces them.

Anyone displaying symptoms of concussion is permanently removed from the game, while all players who need assessment must be re-evaluated within three hours of the final whistle and again two days later.

In NFL, a sport that faced multi-million dollar litigation over is treatment of head injuries, the rules are now even more rigorous. Any player showing confusion, amnesia or a lack of consciousness is permanently removed from the field. Players involved in an incident with the head, which can be identified by the team doctor, an independent doctor, or “spotters” with access to video replays specifically designated for this role, must undergo a comprehensive assessment with a doctor and unaffiliated neurotrauma consultant.

NEW PROTOCOLS?

Even in a non-contact sport like cricket where concussion is less common, the county game last year implemented rules that allow an on-field assessment for five minutes with the possibility to use a concussion substitute if deemed necessary. The laws were changed after research revealed that around 15-20 players a season had suffered a concussion due to being hit in the head by the ball and the international game has since followed suit.

Repealed blows to the head can lead to the onset of chronic traumatic encephalopathy (CTE), and a recent study led by the University of Glasgow discovered that former footballers and rugby players with dementia were six times more likely to suffer from CTE, revealing the multitude of long-term brain illnesses that head traumas can cause.

There are additional concerns about the lack of time players spend recovering with current guidelines advising them to take six days off. A study published in the American Journal of Sports Medicine last month revealed Premier League players missed just 10.9 days, or 0.6 games, on average following a concussion, compared with 37 days, or 7.3 games, for top-flight footballers in the US.

It also revealed Premier League players’ performances suffered a dip following their return that the US players didn’t, and it is perhaps owing to the concussion storm that embroiled the NFL that American sports appear to be taking the issue more seriously.

Fifa is understood to be looking into new protocols, but declined to specify what they might look like or when they might come into effect.

“Fifa regularly monitors the situation with head injuries, maintaining constant contact with current and ongoing studies on this matter and reviewing our protocols,” a spokesperson said, referring to their current “when in doubt, sit the player out” recommendation.
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