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TAKING STOCK HOW DOES THE SWEDISH CAPITAL PRODUCE SO MANY TECH UNICORNS? **P22**

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TUESDAY 27 AUGUST 2019 | ISSUE 3,443

CITYAM.COM

FREE

TRUMP: CHINA WANTS A DEAL 'VERY BADLY'

SEBASTIAN MCCARTHY AND HARRY ROBERTSON

@SebMcCarthy@henryrobertson

DONALD Trump helped stocks rebound yesterday as investors bought into renewed hope of a trade truce between the US and China.

At the end of a characteristically unpredictable weekend of mixed messages from the US president, Trump said he believed China wanted to reach an agreement to end the standoff.

Markets were rattled earlier this month as Trump's trade war with the economic powerhouse intensified.

Equities recovered yesterday, with US and European markets climbing into the green. Trump spoke positively about trade negotiations during the G7 leaders' summit in France, where world leaders met to discuss issues ranging from fires in the Amazon rainforest to potential taxes on tech giants.

Trump claimed Beijing was actively reaching out to resume trade talks in

order to end the stalemate. "I think they want to make a deal very badly. I think that was elevated last night. The vice chairman of China came out, he said he wants to see a deal made," he said.

"The longer they wait the harder it is to put back, if it can be put back at all..."

I don't think they have a choice."

Trump also praised Chinese President Xi Jinping, calling him a "great leader" and a "brilliant

Trump dominated headlines from the weekend's G7 summit

man" – despite labelling him an "enemy" on Twitter last week.

Chinese vice premier Liu He said yesterday that China wanted to reach a solution to the trade war via "calm" negotiations.

The Dow Jones closed up one per cent last night.

The positive rhetoric soothed investors' nerves after a bruising day of falls at the end of last week, when Trump announced he would ramp up

tariffs on almost all Chinese goods in the latest stage of retaliation between the two sides.

Meanwhile, at a press conference last night, Trump also said he was open to meeting Iran's President Hassan Rouhani under the right circumstances, adding that he had "good feelings" about the prospect of a new nuclear deal.

The comments followed a tense stand-off between Tehran and Washington in recent months over limits placed on Iran's nuclear activity.

In a colourful final day of discussions at the G7 summit in Biarritz, the US president also:

- Suggested that his own Miami golf resort could host next year's G7 event, hailing its "great" conference rooms and repeating several times that it was a short drive to the international airport
- Denied reports that he had suggested using nuclear weapons to break up hurricanes
- Skipped a meeting about climate change and biodiversity attended by other world leaders.

MACRON'S TECH MOVE: P4



SHAKE IT OFF Another tremor halts Cuadrilla's fracking plans



AUGUST GRAHAM

@AugustGraham

THE UK's fracking sector faced a further setback yesterday as another small earthquake was recorded in Lancashire, forcing drilling to stop.

Several tremors have been recorded since the government said it could ease regulations on the sector, earlier this month.

A 2.9 magnitude quake near Cuadrilla's New Preston Road drilling site woke up some locals yesterday.

Nick Bell, who lives four miles from the site, told City AM his windows rattled around 8.30am.

Government rules force frackers to stop when tremors reach 0.5 on the Richter scale. Cuadrilla can normally restart within 18 hours. However,

after the scale of yesterday's tremor, the Oil and Gas Authority suspended activity at the site indefinitely.

"It's clear that the industry cannot work within the limits that they themselves agreed. It's time to stop," said Conservative MP Lee Rowley.

Cuadrilla said the string of tremors would not set the industry back in its fight to get the 0.5 limit increased.

The firm said the well's integrity had not been breached, and it is working to understand the cause of three tremors in the past week.

"This is exploration about what could potentially be a very important resource for the UK and we would like to continue with our work to prove this," a spokesperson said.

● **THE CITY VIEW: P2**

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THE CITY VIEW

Fracking faces a battle to win over the public

JUST a dozen days ago the government said it would consider easing rules that force fracking companies to stop all activity when relatively weak tremors are found. The hint of a U-turn was a considerable boost to an industry that had become exasperated by Theresa May's somewhat-bizarre approach of officially supporting fracking while essentially preventing it from taking off. A week or two earlier, energy company Cuadrilla said it would apply to extend the licence on its fracking site in Lancashire. Since then, however, the news has not been positive for Cuadrilla or the sector at large. Cuadrilla operates the country's only active site at present, and tremors from the drilling have been escalating. In the middle of last week a mini-quake of 1.55 magnitude was felt – admittedly quite small. Another measuring 2.1 was recorded at the start of the weekend and yesterday a 2.9 reading caused all operations at Preston New Road to be halted indefinitely.

The company insisted that the latest "event lasted for around a second and the average ground motion recorded was 5mm per second", and continued to argue that the shake only amounted to "about a third of that permitted for construction projects". Yet while most tremors are undetectable by people on the ground, nearby residents have begun reporting experience of the shakes.

At the very least, the timing of this month's fracking developments has been a PR disaster for the industry and made life much harder for anyone trying to convince the public of the benefits of extracting on-shore shale gas.

This newspaper has always taken a pragmatic view on fracking, which – if handled correctly – seems like a sensible way of bridging the gap between carbon-heavy fossil fuels and low-carbon, sustainable sources of energy. In other parts of the world, the sector has flourished.

Conditions in the UK are tough, however. Space is at a premium and infrastructure is weak compared to fracking's boom areas, particularly in the US. Moreover public cynicism remains widespread and will only have been worsened by the weekend's newest tremors.

While shale's hardline critics are often guilty of hysteria, it is difficult to see the industry ever really lighting up the British energy supply in the way its proponents once hoped.



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FINANCIAL TIMES

GLOBALFOUNDRIES SUES APPLE SUPPLIER TSMC

Globalfoundries said it has filed 25 patent infringement lawsuits against Apple supplier TSMC and is seeking an injunction to have certain iPhones, Airpods and other products banned from import into the US and Germany. The semiconductor manufacturer, based in Santa Clara, California, said it is seeking "significant damages" from Taiwan-based TSMC based on allegations of "unlawful use... of proprietary technology in [TSMC's] tens of billions of dollars of sales".

PUSH FOR WOMEN IN TOP CITY JOBS STALLS

A three-year campaign to close the

WHAT THE OTHER PAPERS SAY THIS MORNING

gender gap has come to a halt, as the rise in the increase of male applicants for top jobs outstripped an increase in the number of applications from women.

OBITUARY

LORD TIM BELL

Margaret Thatcher's former spin doctor and Bell Pottinger founder dies aged 77

LORD Tim Bell, founder of PR firm Bell Pottinger and Margaret Thatcher's public relations adviser, has died aged 77. He died on Sunday at home following an illness. Bell co-founded the City PR firm Bell Pottinger, leading a buyout in 2012. He quit the firm in 2016, a year before it collapsed following a scandal over its work for the Gupta family in South Africa. He also advised on the Conservatives' successful election campaigns in 1979, 1983 and 1987. He was behind the Conservatives' "Labour isn't working" poster campaign in 1978, which showed a long unemployment queue.



Services sector gloomy as UK economy slows down

HARRY ROBERTSON

@henryrobertson

OPTIMISM across the UK's dominant services sector fell sharply in the three months to August, according to a survey, in news that will worry policy-makers as Britain flirts with recession.

The mood in the business and professional services sector was particularly subdued, the CBI's quarterly service sector survey showed today, with expectations for growth at their lowest since 2009.

Britain's economy shrank for the first time in seven years in the second quarter as the unwinding of Brexit stockpiling and global trade tensions damaged growth.

The services sector, which makes up around 80 per cent of the UK economy, made a positive contribution to GDP growth between April and June. But signs are mounting that it too is beginning to suffer under the

weight of Brexit uncertainty and a global slowdown.

The CBI, which represents almost 200,000 British firms, said worries about a no-deal Brexit were "clearly weighing down the economy" and "affecting businesses both big and small".

Optimism across the business and professional services sector, which includes accountancy, legal and marketing firms, fell to minus 31 on the CBI's gauge, down from minus eight in February and close to post-financial crisis lows.

In the consumer services sector, which includes hotels, bars, travel and leisure firms, optimism fell to minus 28 from minus 12 in February.

Business and professional services firms were "extremely negative" about the outlook for expansion over the year ahead, the CBI said, with a score of minus 51 which was the second-lowest on record.

CBI chief economist Rain Newton-Smith said: "UK services firms are operating in a tough environment: activity is sluggish and profits are expected to fall in the coming months. It's little wonder that business sentiment has plummeted again."

The organisation said the government must avoid a no-deal Brexit, which is widely thought would hurt the country economically. The chances of such an event happening on 31 October have increased since Brexiter Boris Johnson took power.

"The outlook for services firms is bleak at the moment, with Brexit uncertainty holding back investment and expansion plans. The idea of a no-deal Brexit is clearly weighing down the economy and is affecting businesses both big and small," she said.

"So the economy can get back on track, the government must re-double its efforts in securing a deal."

THE TIMES

ARCHBISHOP WARNED NOT TO INTERFERE WITH BREXIT

The archbishop of Canterbury has become embroiled in a fierce political row over plans for a citizens' assembly aimed at averting a no-deal Brexit. Justin Welby is in talks with a cross-party group of senior MPs to chair a series of public meetings to explore alternatives to leaving the EU without a deal.

HOTTEST AUGUST BANK HOLIDAY ON RECORD

Britain enjoyed the hottest August Bank Holiday Monday on record as the heat hit 33.1 degrees celsius at Heathrow airport. The temperature was almost five degrees above the previous record.

THE DAILY TELEGRAPH

SMALL COMPANIES SET TO BE HURT BY 'AIR-CON TAX'

Small companies are being crippled by an "air-con tax" which means their business rates increase if they install equipment to keep workers cool in the heatwave. The government is this week being urged to lift the tax after Britain baked in record Bank Holiday temperatures.

TALLER MASTS TO BANISH MOBILE BLIND SPOTS

Bigger and taller phone masts are to be allowed across the UK as the government sweeps away planning restrictions in a bid to banish mobile phone blind spots, largely in rural areas, and avoid thousands of new masts.

THE WALL STREET JOURNAL

HOUSE PANEL SUBPOENAS EX-WHITE HOUSE STAFF

The US House Judiciary Committee has subpoenaed former White House staff secretary Rob Porter as part of its investigation into whether US President Trump obstructed justice. It is the latest bid to compel a Trump associate to detail allegations that the president interfered in Robert Mueller's probe.

GHOSN RAN FUND USING NISSAN PARTNER MONEY

Nissan boss Carlos Ghosn built a parallel business as an investor in Silicon Valley with his son, using millions of dollars he received from an executive at a Nissan business partner in Oman.



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ROLEX

Johnson and EU leaders clash over potential £39bn Brexit divorce bill

SEBASTIAN MCCARTHY

@SebMcCarthy

BRITAIN and the EU fired warning shots to one another yesterday as disagreements over a £39bn Brexit divorce bill threatened to jeopardise hopes of a trade deal between the two sides.

Talks between Prime Minister Boris Johnson and EU leaders ended yesterday with a standoff over

payments that Britain could face in the event of a no-deal Brexit.

Speaking at the G7 summit in France, Johnson insisted that the £39bn divorce settlement would be "no longer strictly speaking owed" if Britain leaves the EU without a deal.

"It's not a threat, it's a simple statement of reality, that's the way things are," he told ITV.

Responding to the comments on Twitter, senior EU politician Guy

Verhofstadt wrote: "If the UK doesn't pay what is due, the EU will not negotiate a trade deal. After a 'no deal', this will be a first condition of any talks. Britain is better than this."

European Council president Donald Tusk warned on Saturday that Johnson risked being remembered as "Mr No Deal", before the pair held talks yesterday aimed at finding a deal before Downing Street's 31 October deadline.

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NICE DEAL Sir Jim Ratcliffe's chemicals giant Ineos acquires French football club



INEOS, the firm founded by Sir Jim Ratcliffe – the third richest man in the UK – has bought OGC Nice Football Club. It also owns Lausanne Sports Football Club.

France and US strike accord on digital tax plans

SEBASTIAN MCCARTHY

@SebMcCarthy

FRANCE agreed a compromise with the US on its digital tax plans yesterday, curtailing a row that had prompted US President Donald Trump to threaten new tariffs on French wine makers.

French President Emmanuel Macron struck a deal with his US counterpart that gives the green light to France's three per cent levy on the global revenue of large tech companies.

The agreement will mean that firms which pay the levy will be able to deduct the amount they have paid out once a new international deal on how to tax internet companies is decided later next year.

Prior to yesterday's meeting, Trump had threatened to slap a tariff on French wines in retaliation for the tax on tech groups.

European authorities have been attempting to crack down on tax deals for tech giants such as Apple, which is currently locked in a \$14.4bn (£11.8bn) battle with the EU over its financial contributions.

The digital tax escalated into a heated disagreement between France and the US, marking a new front in Trump's tariff battles that have so far been dominated by a tit-for-tat stand-off with China.

Trump, who does not drink alcohol, wrote on Twitter last month: "France just put a digital tax on our great American technology companies. If anybody taxes them, it should be their home country, the US."

"We will announce a substantial reciprocal action on Macron's foolishness shortly. I've always said American wine is better than French wine!"

The remarks prompted a rebuke from the French agriculture minister, who blasted Trump's threats as "completely moronic".

International leaders at the G7 summit also agreed yesterday to help fight devastating fires in the Amazon rainforest. Macron said G7 countries would release \$22m.

According to the country's space research agency, a record number of fires are burning in Brazil, mostly in the Amazon.

UBS Wealth Management turns bearish on stocks over trade war

JESS CLARK

@jclarkjourno

UBS GLOBAL Wealth Management has recommended that clients sell stocks due to concerns that the latest escalation in the ongoing trade war between the US and China could threaten global markets.

The world's largest wealth manager cut its core equity recommendation to "underweight" after US President Donald Trump increased tensions between the two countries as he announced a round

of tariff hikes on Chinese goods.

In a note to clients on Sunday evening, UBS Global Wealth Management chief investment officer Mark Haefele wrote: "The US-China trade dispute has escalated in recent days, raising the risk of a cycle of retaliation that undermines global growth and equity markets."

"That justifies a reduction in risk in our portfolios in order to lower our exposure to an uncertain political environment."

He added that UBS is "not bracing ... for a traditional recession".

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Mail owner sells energy business in \$364m deal

JAMES BOOTH

@JamesDbooth1

DAILY Mail owner DMGT said yesterday it had agreed to sell its energy information business in a \$364m (£297m) deal.

DMGT said it had reached an agreement on selling Genscape to Nasdaq-listed data analytics provider Verisk.

Genscape will become part of Verisk's Wood Mackenzie business which focuses on short-term energy data and analytics.

DMGT said it expected the sale to complete in the coming weeks, subject to the completion of closing conditions.

DMGT chief executive Paul Zwillenberg said: "This transaction marks another major milestone in DMGT's continued transformation and is in line with our strategy. It will further increase the focus of the portfolio and will result in DMGT operating in five sectors, compared to 10 in

2016. Significant progress has been made improving operational execution at Genscape, consistent with our strategic priorities and, on completion, DMGT is expected to have more than £200m net cash on its balance sheet, enhancing the group's financial flexibility."

DMGT said Genscape operates the world's largest private network of in-field monitors for collecting energy data and said it aims to improve market transparency and efficiency.

Investment bank Centerview Partners is advising DMGT on the sale.

Credit Suisse analysts said: "This achieves the benefits of crystallising an eventual return to growth in energy and further simplifying the business into five sectors as well as strengthening the balance sheet."

In May, DMGT reported a 19 per cent increase in adjusted profit before tax to £100m in the six months to the end of March, while revenue ticked up one per cent to £724m.

ROUGH DIAMOND Links of London parent appoints advisers to explore potential sale



THE OWNER of Links of London has confirmed that it has drafted in advisers to weigh up a sale of the troubled jewellery group. Folli Follie, the Greek group which acquired the chain in 2006, has appointed Deloitte and Savigny Partners.

Consultancy giant plots £200m takeover of KPMG pension arm

JESS CLARK

@jclarkjourno

LANE Clark and Peacock (LCP), one of the UK's largest independent financial consultancy firms, is preparing a £200m takeover of KPMG's pensions advisory arm.

The company, which is backed by buyout firm Inflexion, is among a small group of bidders that have

made it through to the second round of KPMG's auction, Sky News reported last night.

LCP was competing against a number of trade and financial bidders, the broadcaster said, citing sources.

The accountancy giant began to examine a sale of its pensions advisory arm in June following a number of approaches.

Boardroom poll finds FTSE firms feeling gloomy

SEBASTIAN MCCARTHY

@SebMcCarthy

A MAJORITY of business boardrooms are predicting a downturn in the UK economy over the coming year, as Brexit uncertainty and the US-China trade war take a toll on corporate confidence.

Almost 70 per cent of respondents from FTSE 350 companies believe the economy will decline in the next year, improving from 81 per cent at the end of 2018 but remaining below the spring reading in 2016 before Britain voted to leave the EU.

Forecasts about the outlook for companies' own industries have rallied slightly with 43 per cent predicting a decline, down from 50 per cent last winter, according to the findings from the Boardroom Bellwether survey published by The Chartered Governance Institute and the Financial Times.

Publicly-listed firms in the UK are on the fence about the effect of no-deal Brexit, today's report found, with 40 per cent believing it would be damaging, 40 per cent believing it would not and 20 per cent unsure.

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Lawyers fear job cuts if another crisis lands, reports **James Booth**

THE LAST recession hit the City legal market hard. The top firms launched unprecedented restructurings, slashing thousands of jobs as credit dried up and deals ground to a halt. Magic Circle firm Allen & Overy (A&O) cut nearly 10 per cent of its workforce, ditching 47 partners, 200 junior lawyers and 250 support staff.

One former A&O partner let go in the cull remembers: "It was brutal... it was a literal decimation."

After an 11-year bull market which has allowed law firms to recoup their losses, there are worries another downturn could be on the way.

How would London's legal market cope with a fresh financial shock? And will law firms be better prepared this time round?

City law has changed over the last 10 years, with old names absorbed or diminished and an explosion of US firms taking on the traditional elite.

The growth of US firms has forced UK firms to focus on profitability and shed underperforming partners and practices to counter the loss of talent to their high-paying US rivals.

"The market is even more competitive, partly because of the US firms, than it was at the time of the last downturn... There is less flab than there would have been in 2008," Macfarlanes senior part-



ner Charles Martin says. However, competition with US firms has also driven salary inflation for junior lawyers.

In May, Freshfields Bruckhaus Deringer raised salaries for newly qualified lawyers (NQs) to £100,000 – prompting its UK rivals to follow suit.

Tony Williams, of legal consultancy

Jomati, says: "I always say be careful what you wish for. If you have got a high cost base, if the work is not there you are going to have a fairly short shelf life."

A US firm partner says: "They [the Magic Circle] are increasing their fixed costs to stop the bleeding. If the music stops I would have thought that would

be a bit of a problem for them."

However, with sterling already trading low against the dollar, Magic Circle partners question whether US firms would continue to support their London operations in the event of a sharp slowdown.

One says: "If things start stagnating I have my suspicions as to how people will

react... generally lawyers, and particularly lawyers in the New York market, are not the most charitable."

A US firm partner hits back saying: "That's wishful thinking, if you are looking at 2008, the guys hit the most were the Magic Circle."

Legal recruiter Dominique Graham of Signium says the larger US firms in London are likely to survive a downturn, but smaller US firms could rethink their City bases in a sharp recession.

"When the chips are down anyone who hasn't been doing well before cops it," she says.

The leading firms are probably in a better position to weather a downturn than they were in 2008.

Graham says: "The last recession has made firms a lot more weather-proof."

However, with increasing fixed costs and the lessons of the last recession in mind, firms are likely to make cuts quickly if billings dry up.

"If work tails off they have extensive resources not being fully utilised... I imagine they will be more aggressive in letting people go when the need arises," says Giles Murphy, head of professional services at accountancy firm Smith & Williamson.

City lawyers remember the trauma of the last recession and know that firms will be hard-nosed in protecting profitability if things go wrong again.

The former A&O partner remembers: "We were still there for months whilst it was worked out and we sat in the garden.

"It is quite emotionally painful if you are constantly going into an office where everyone knows what has happened," they add.



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The Rt Hon Robert Buckland QC MP
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Tuesday 27th August 2019

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The Rt Hon Robert Buckland QC MP,

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ITALIAN JOB

Opposition party drops veto on prime minister serving another term



A DEAL on forming a government in Italy between the 5-Star Movement and the opposition Democratic Party (PD) looked close last night after the PD indicated it had dropped a veto on Giuseppe Conte serving another term as prime minister.

German firms at least optimistic since early 2012

HARRY ROBERTSON

@henryrobertson

MORALE among German business leaders slumped to its lowest point in seven years in August, according to a respected think tank which yesterday warned that the country is approaching a recession.

The business climate index from think tank Ifo fell to 94.3 points from an upwardly revised 95.8 points in July. The confidence gauge was dragged down by the long-running malaise in manufacturing, where confidence fell to its lowest point since the financial crisis in 2009.

Worryingly for Germany, even in the service sector the business climate deteriorated noticeably. In recent months services have been a bright spot amid low unemployment and relatively high consumer demand.

But in August "not a single ray of light was to be seen in any of Germany's key industries", said Clemens Fuest, president of the Ifo Institute. "There are ever more indications of a recession in Germany."

Johnson & Johnson told to pay \$572m in opioid epidemic case

NATE RAYMOND

JOHNSON & Johnson has been ordered to pay \$572m (£468.1m) after a US court found the company liable in a lawsuit claiming the pharmaceutical firm helped to fuel an opioid epidemic in the country.

A judge in Oklahoma yesterday found the company had added to the epidemic in the state by deceptively marketing painkillers.

Judge Thad Balkman of Cleveland County District Court delivered his decision in a lawsuit alleging that

the firm's marketing practice had flooded the market with painkillers.

Johnson & Johnson shares rose five per cent in after-hours trading.

The case brought by Oklahoma attorney general Mike Hunter was the first to go to trial out of thousands of lawsuits filed by state and local governments against opioid manufacturers and distributors.

Hunter had been seeking to make the company pay more than \$17bn to help the state address the epidemic for the next 30 years.

British Airways urged to reimburse passengers after cancellation error

JESS CLARK

@jclarkjourno

BRITISH Airways (BA) has been urged to refund customers after the airline mistakenly told passengers their flights had been cancelled due to an upcoming pilot strike.

BA pilots are preparing to strike on 9, 10 and 27 September after the airline was unable to reach an agreement with members of the

British Airline Pilots Association (Balpa) over pay and working conditions.

On Saturday the airline sent an email in error informing some customers that their flights were cancelled despite not falling on the strike days, prompting some passengers to rearrange travel plans.

A BA spokesperson said yesterday that customers emailed in error who have incurred expenses as a direct

result should contact the company.

Each case will be dealt with on an individual basis, the spokesperson added.

Adam French, consumer rights expert at Which, said: "The airline... needs to do right by passengers who spent hundreds of pounds on new flights when they were wrongly told that their original flights had been cancelled and make sure they are not left out of pocket."

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Greece to lift all capital controls in effort to woo international investors

HARRY ROBERTSON

@henryrobertson

GREECE's new government yesterday announced it will lift capital controls imposed during its debt crisis in 2015 in a bid to restore the trust of international investors in the country.

Prime Minister Kyriakos Mitsotakis told the Greek parliament: "From today, capital controls are a thing of the past."

The controls – limits on the flow of money and assets in and out of the domestic economy – were imposed in 2015 by the radical leftist Syriza government after the European Central Bank (ECB) cut off its bailout funding.

The controls have gradually been weakened but some still remain.

Yesterday's move by the conservative New Democracy government comes as

part of its attempts to improve investor confidence in the country, which has high borrowing costs.

Its government debt is currently rated below "investment grade" by the world's biggest credit ratings agencies.

Finance minister Christos Staikouras said: "A destabilising factor, an instability factor for the banking system is lifted." Controls would be lifted on 1 September, he said.

His party was elected in July after four years of Syriza government that saw the left-wing party clash with the European Union before imposing a severe austerity programme. The economy is some 20 per cent smaller in 2019 than in 2007, when the global financial crisis began.

Official figures showed unemployment was 17.2 per cent in May, with youth unemployment at 33.8 per cent.

CITY OF LONDON

Notice is hereby given that the Common Council of the City of London as traffic authority for the undermentioned streets will make several Orders on **5 September 2019** under Section 14(1) of the Road Traffic Regulation Act 1984 as amended by the Road Traffic (Temporary Restrictions) Act 1991 with the exception of **Old Broad Street** where the dates have been extended. The effect of these Orders will be to prohibit vehicles (or pedestrians where stated) from entering the said roads.

Old Broad Street (Liverpool St o Sun St Passage) ---- *Carriageway Works*
Extended until 12 October 2019

Moor Lane (Silk St to Ropemaker St) ---- *Utility Works*

8am Monday 30 September to 6pm Tuesday 29 October 2019. Alternative route: None. Silk St, Milton St, Chiswell St, Finsbury St & Ropemaker St.

West Smithfield Rotunda & Cloth Fair (West Smithfield to Little Britain)

7pm each Friday to 11pm each Sunday from 4 October to 13 October 2019. Alternative route: None. Remainder of West Smithfield Rotunda & Cloth Fairs will be made temporary two way for access. Access will be maintained to West Smithfield Car Park.

Fenchurch St (Aldgate to Lloyds Avenue) ---- *Mobile Crane*

8am each Saturday to 6pm each Sunday from 5 October to 13 October 2019. Alternative route: Eastbound via Mincing Lane, Great Tower St, Byward St, Tower Hill, Minories, Goodman's Yard & Mansell St; westbound via Leadenhall St & Gracechurch St

Bride Lane (Fleet St to Building Line of No 18) ---- *Building Maintenance*

8am Monday 7 October to 6pm Monday 2nd December. Alternative route: Access from New Bridge Street

Cutler St (Houndsditch to Devonshire Sq) ---- *Utility Works*

8am Tuesday 1 October to 5pm Tuesday 15 October 2019. Alternative route: Houndsditch, Stoney Lane, White Kennett St & Cutler St. Cutler St between Harrow Place & Devonshire Sq to be made temporary two way for access

Abchurch Lane (Cannon St to King William St) ---- *Carriageway Works*

8am each Saturday to 6pm each Sunday from 28 September to 6 October 2019. Alternative route: None. Abchurch Lane between Cannon St & the closure point to be made temporary two way for access

Jewry St (Saracens Head Yard & Aldgate) ---- *Utility Works*

8am each Saturday to 5pm each Sunday from 28 September to 6 October 2019. Alternative route: India St, Minories & Aldgate. Jewry St between India St & Saracens Head Yard to be made temporary two way for access

Old Broad St (Wormwood St to Threadneedle St) & **Throgmorton St** (Old Broad St to Bartholomew Lane)

8am Monday 30 September 2019 to 4pm Sunday 5 January 2020. Alternative route: Wormwood St, London Wall, Aldersgate Rotunda, Aldersgate St, St Martins Le Grand, Cheapside, King St, Gresham St, Lothbury & Bartholomew Lane. Throgmorton St to be made temporary two-way when closed.

Pemberton Row (Gough Sq to East Harding St) ---- *Utility Works*

8am each Saturday to 4pm each Sunday from 5 to 6 & 19 to 20 October 2019. Alternative route: New Fetter Lane, St Andrew St, Shoe Lane & Little New St

Ironmonger Lane (Gresham St to Cheapside) ---- *Utility Works*

8am each Saturday to 5pm each Sunday from 28 September to 6 October 2019. Alternative route: Gresham St, King St & Cheapside. The remainder of Ironmonger Lane up to the closure points will be made temporary two way

Minories (Hayden St to Goodman's Yard) ---- *Utility Works*

8am each Saturday to 4pm each Sunday from 5 to 6 & 19 to 20 October 2019. Alternative route: Aldgate High St, Aldgate, Leadenhall St, Eastcheap, Tower Hill, Byward St & Minories.

Bread St (Cannon St t Watling St) ---- *Utility Works*

8am Saturday 28 to 6pm Sunday 29 September 2019. Alternative route: Bread St, Cheapside, New Change & Cannon St

Chancery Lane (Fleet St to Carey St) ---- *Utility Works*

8am each Saturday to 5.30pm each Sunday from 28 September to 6 October 2019. Alternative route: Fleet St, Fetter Lane, New Fetter Lane, Holborn Circus & High Holborn; or Fleet St, Strand, Aldwych, Kingsway, Remnant St, Lincolns in Fields, Newmans Row, Serle St, Carey St and Chancery Lane. Chancery Lane to be made temporary two way from Fleet St up to the closure point.

Whitefriars St (Tudor St to Fleet St) ---- *Resurfacing*

8am each Saturday to 6pm each Sunday from 5 to 6 & 19 to 20 October 2019. Alternative route: Tudor St, New Bridge St & Fleet St. All affected bays will be suspended

Creed Lane (Ludgate Square to Ludgate Hill) ---- *Building Site*

From Monday 30 September to Saturday 11 September 2021. Alternative route: Carter Lane, Godliman St, St Paul's Churchyard & Ludgate Hill. The remainder of Creed Lane will be made temporary two way for access

Enquiries to Traffic Management Services on 020 7332 1551

Carolyn Dwyer BEng (Hons),
DMS, CMILT, FCIHT
Director of the Built Environment



Dated 27 August 2019

UNDER PRESSURE Russian economic ministry lowers 2020 inflation and growth forecasts following criticism from Putin



THE RUSSIAN economy ministry has revised a set of key economic forecasts, lowering its economic growth and inflation projections for 2020, the ministry's data showed yesterday. The revision came hours after President Vladimir Putin said a slowdown in inflation to 4.5 per cent from double-digit levels a few years ago was not enough to improve living conditions.

Legal disputes over net domains hit record high

JAMES BOOTH

@Jamesdbooth1

THE NUMBER of legal disputes over the ownership of domain names has reached a record high in the past year as companies battle against online fraudsters registering "look-alike" domain names in bad faith, law firm EMW said.

The number of ownership challenges brought to the World Intellectual Property Organisation (WIPO) last year hit 305, up 10 per cent from 277 in 2017.

Many of the complaints related to fraudsters setting up fake websites designed to look like those of businesses.

Fraudsters often register domain names that are similar to those of big organisations to trick people into handing over information.

The growing number of web

addresses being created as alternatives to .com, .biz and .org allows fraudsters greater opportunity to replicate the websites of legitimate businesses.

EMW said the fraud can affect businesses which can face reduced sales in the short term as well as long-term brand damage if they are subject to this type of attack.

Mark Finn, principal at EMW, said: "Illegally replicating corporate websites is big business for fraudsters but companies are fighting back."

"Customers will likely consider bigger businesses morally responsible if their data is stolen so it is crucial that they proactively register related domain names to prevent fraudsters from replicating their business online."

"The burden of protecting your online brand may seem high due to

the overwhelming number of available web addresses. However, it is relatively inexpensive to register numerous domain names and it is a simple yet crucial step."

Globally, domain name disputes increased to 3,447 last year, up from 3,074 in 2017.

In 2018, cases heard by WIPO included a dispute over a series of domain names registered that included the name Travelex.

WIPO found that the domain names were confusingly similar to a trademark and deemed them to be used and registered in bad faith.

All of the domain names were subsequently transferred to Travelex.

Finn said: "Registering your brand as a trade mark is the first thing businesses should do to give them more rights over similar web addresses."

Weinstein pleads not guilty as rape trial delayed

BRENDAN PIERSON

FORMER Hollywood producer Harvey Weinstein pleaded not guilty yesterday to a new indictment as his forthcoming criminal trial was pushed back to January, in a case where prosecutors have accused him of rape and predatory sexual assault.

Weinstein, 67, entered his plea in a New York state court in Manhattan, where his trial was delayed by four months, to 6 January 2020. He had faced a 9 September trial date.

The new indictment accuses

Weinstein of two counts of predatory sexual assault, stemming from alleged assaults against two women, in 2006 and 2013. Those charges are essentially the same as those in the previous indictment against Weinstein, and prosecutors moved yesterday to consolidate the two cases.

However, the new indictment also comes with a disclosure that a third woman will be called to testify that Weinstein raped her in 1993 to bolster the prosecutors' case. Weinstein cannot be charged directly with

raping that woman, actress Annabella Sciorra, because the statute of limitations has run out.

Donna Rotunno, one of Weinstein's lawyers, said after the hearing that Weinstein would seek to dismiss the indictment, calling the case "weak".

Once among Hollywood's most powerful producers, he has pleaded not guilty to five criminal charges in the earlier indictment, including rape and predatory sexual assault. He could face a life sentence if convicted. Roughly 70 women have accused Weinstein of sexual misconduct.

Reuters

More towns can cash into £1bn high street fund

AUGUST GRAHAM

@AugustGraham

THE GOVERNMENT yesterday promised to "level up" regional economies after announcing that a further 50 high streets would benefit from a £1bn fund, as Britain's brick-and-mortar retailers continue to struggle while facing increased competition from online sellers.

Candidates will be able to apply for up to £150,000 in funding for projects, including improvements to local transportation and access, and converting empty retail units into homes or workplaces.

"Our high streets are right at the heart of our communities, and I will do everything I can to make sure they remain vibrant places where people want to go, meet and spend their money," said Prime Minister Boris Johnson.

Town centres are facing challenges, Johnson said, as he announced that projects on 100 high streets would now be able to apply for funding.

The initial scheme, launched in December last year, promised help to 50 towns.

It comes as lower footfall has hit several high street brands in recent years.

Monsoon Accessorize recently went through a turnaround plan, but avoided closing stores. Meanwhile, Jack Wills may start shutting shops unless owner Sports Direct can negotiate lower rents for its stores, City A.M. revealed earlier this month.

"High streets have a crucial role to play as we work to grow the economy of all parts of the country," said communities secretary Robert Jenrick.

"The government is going to level-up our regional economies," he promised, adding that many applications have already come through to the fund.

Last month the government announced a further £325m for its future high streets fund, taking the total to £1bn. The increase was part of the £3.6bn towns fund.

Johnson said: "This scheme is going to reenergise and transform even more of our high streets – helping them to attract new businesses, boost local growth, and create new infrastructure and jobs."

The government has also launched a high street task force.



Some 36 per cent of SME owners take two weeks' less leave than the law allows

Small business owners slow to swap office for long weekends

EMMA TYRELL

A SURVEY of UK small and medium-sized businesses conducted by lender Iwoca has revealed that 37 per cent of owners took no more than 15 days of holiday in the last calendar year.

That is 13 days less than the statutory 28 days offered to those in regular employment.

At the other end of the scale, 22 per cent of the 1,000 small businesses involved in the survey took at least 36 days off per year.

Concerns about losing business

opportunities, as well as fears that their business isn't doing well, would prompt 16 per cent of respondents to return home from their holiday early in order to get back to work.

One in five would consider cutting their holiday short for fear of disappointing clients.

The findings form part of a broader study conducted by Iwoca and also examined how much work small business owners did while away and how holiday habits differ across age.

CITY OF LONDON

Notice is hereby given that the Common Council of the City of London as traffic authority for the undermentioned streets will make several Orders on **22 August 2019** under Section 14(1) of the Road Traffic Regulation Act 1984 as amended by the Road Traffic (Temporary Restrictions) Act 1991. The effect of these Orders will be to prohibit vehicles (or pedestrians where stated) from entering the said roads.

Wood St (Love Lane to Wood St Police Station Garage Entrance) ---- *Mobile Crane*
8am each Saturday to 6pm each Sunday from 7 to 15 September 2019. Alternative route: None. Wood St between Love Lane & Wood St Police Station Garage Entrance to be made temporary two way

Great Winchester St (London Wall to Loading Bay of Pinners Hall) ---- *Utility Works*
8am Tuesday 24 September to 5pm Monday 7 October 2019. Alternative route: London Wall, Aldersgate Rotunda, Aldersgate St, St Martins Le Grand, Gresham St, Lothbury, Bartholomew Lane, Threadneedle St & Old Broad St. Great Winchester St between London Wall and Austin Friars Passage to be made temporary two way for access.

St Mary Axe (Bury Court to Camomile St) ---- *Utility Works*
8am Tuesday 24 September to 5pm Monday 7 October. Alternative route: Leadenhall St, Aldgate, Aldgate High St, Middlesex St, St Botolph St, Dukes Place & Bevis Marks. St Mary Axe between Leadenhall St & Bury Court to be made temporary two way.

Old Fleet Lane (junction Farringdon St) ---- *Carriageway Resurfacing*
8am each Saturday to 6pm each Sunday from 14 to 22 September 2019. Alternative route: None

Basinghall St (Basinghall Avenue to Gresham St) ---- *Loading & Unloading*
8am each Saturday to 6pm each Saturday from 14 to 15 & 28 to 29 September 2019. Alternative route: Basinghall St, Aldermanbury, Love Lane, Wood St & Gresham St. Basinghall St to be made temporary two way either side of the closure for access. All bays to be suspended

Charterhouse St (Ely Place to Farringdon St) ---- *Mobile Crane*
9pm each Friday to 11pm each Sunday from 27 September to 6 October. Alternative route: Eastbound via Holborn Circus, New Fetter Lane, Fleet St, Ludgate Circus & Farringdon St; westbound via Farringdon St, Ludgate Circus, Fleet St, Fetter Lane, New Fetter Lane & Holborn Circus or Farringdon Road, Clerkenwell Road, Grays Inn Road & Holborn.

Newbury St (junction Kinghorn St) ---- *Utility Works*
9am each Saturday to 4pm each Sunday from 14 to 15 & 28 to 29 September 2019. Alternative route: Cloth St & Middle St

Clements Lane (Lombard St to King William St) ---- *Mobile Crane*
8pm each Saturday to 6pm each Sunday from 14 to 15 September & 12 to 13 October 2019. Alternative route: Lombard St & Abchurch Lane

Lombard St (Abchurch Lane to Gracechurch St) ---- *Building Maintenance*
8am each Saturday to 6pm each Sunday from 28 September to 6 October 2019. Alternative route: Abchurch Lane & King William St. Nicholas Lane & Clements Lane to be made temporary two way for access.

Queen Victoria St (New Bridge St to White Lyon Hill) ---- *Construction Site Access*
12am Saturday 14 September 2019 to 11.59pm Tuesday 30 April 2024. Suspension of the lorry ban & banned right for Thames Tideway vehicles only as and when required

Coleman St (White Horse Yard to Basinghall Avenue) ---- *Mobile Crane*
8am each Saturday to 7pm each Sunday from 31 August to 1 September & 28 to 29 September 2019. Alternative route: Gresham St, Aldermanbury, Basinghall St & Basinghall Avenue. The remainder of Coleman St will be made temporary two way for access. All parking bays to be suspended.

Enquiries to Traffic Management Services on 020 7332 1551



Dated 27 August 2019

Kraft Heinz re-hires finance chief

ARUN KOYYUR

KRAFT Heinz's newly-appointed chief executive replaced finance chief David Knopf yesterday in what he said was a strategic decision, naming the more "seasoned" Paulo Basilio, after the company was forced to restate three years of results.

Basilio had been Heinz's finance chief when it merged with Kraft in 2015 and remained in the role in the unified company until October 2017, when Kraft Heinz's second largest shareholder, 3G Capital, persuaded the board to embark on changes centred on heavy cost-cutting.

Under 31-year old Knopf, who

would return to his role as a partner at 3G Capital, Kraft Heinz has this year written down \$15.4bn (£12.6bn) in the value of two marquee brands, slashed dividends and withdrawn its financial outlook.

The change is the first big move by new chief executive Miguel Patricio since the Portuguese marketing veteran was brought in from Anheuser-Busch Inbev in April with the aim of rebooting Kraft Heinz.

The packaged food company, which counts billionaire Warren Buffett as its largest investor, has

been battered by competition from private-label brands, changing consumer tastes and lower investment in its brands.

An internal investigation into the company's accounting

David Knopf was made finance chief in 2017, aged 29

issues in May required adjustments of about \$208m related to the costs of products sold, while saying that there had been no misconduct from any member of Kraft Heinz's senior management.

Reuters



IN BRIEF

KOSOVO SETS DATE FOR SNAP ELECTION VOTE

Kosovo's President Hashim Thaci set 6 October as the date for an early parliamentary election yesterday, following the resignation of Prime Minister Ramush Haradinaj. Haradinaj resigned on 19 July after being summoned for questioning by the country's war crimes prosecutor over his role in the 1998-99 insurgency against Serb forces. Kosovo's parliament voted last week to dissolve itself. Polls predict no party gaining enough support to form a government on its own. The new government will be expected to relaunch talks with Belgrade on normalising relations, the precondition to join the EU.

HONG KONG GOVERNMENT WARNS OF GREAT DANGER

Illegal violence is pushing Hong Kong to the brink of great danger, the city government said yesterday, after a weekend of clashes that included the first gun-shot and the arrest of 86 people, the youngest just 12. Police fired water cannon and volleys of tear gas in running battles with protesters who threw bricks and petrol bombs on Sunday, the second day of weekend clashes in the Chinese-ruled city. Six officers drew their pistols and one officer fired a warning shot into the air, police said in a statement, adding that 215 rounds of tear gas and 74 rubber bullets were fired over the two days. More demonstrations are planned.

NASPERS' PROSUS PROFIT UP ON TENCENT STAKE

Prosus, the technology holding firm being carved out of South Africa's Naspers, registered a 31 per cent rise in second quarter profit to \$1.4bn (£1.1bn), thanks to its stake in China's Tencent, its prospectus showed yesterday. Prosus, which is to float on Amsterdam's Euronext stock market on 11 September, holds Naspers' 31.1 per cent stake in Tencent, worth around \$120bn at current prices. Shares in Prosus are not being sold directly to the public. Naspers is distributing 17 to 27 per cent of Prosus shares to its own shareholders. Overall, Prosus reported a second quarter operating loss of \$119m.

Staff at Aim-listed firms nears 390,000

JAMES BOOTH

@Jamesbooth1

THE NUMBER of people employed by companies listed on London's junior Aim market has increased 76 per cent over the last five years to almost 390,000.

Revenues of Aim-listed businesses have grown 86 per cent over five years, bringing total sales figures up to £58bn, according to accountancy firm BDO.

BDO's managing partner, Paul Egland, said: "Despite unusual economic conditions, well-run companies are succeeding on Aim.

"Almost 25 years since it was established, the market has grown and matured and is creating long-term gains for businesses and investors alike.

"Brexit uncertainty is having an impact on new listings but Aim has survived many downturns. Listed businesses, and importantly investors, seem prepared to weather the storm and take a slightly longer-term view."

BDO said Aim-listed companies are a driving force behind the UK economy, alongside businesses with turnover between £10m and £300m and private equity backed firms.

Egland said: "Businesses that fall into the 'economic engine' are often overlooked and undervalued, but their contributions to the UK economy shouldn't be underestimated."

Carolyn Dwyer BEng (Hons),
DMS, CMILT, FCIHT
Director of the Built Environment

Huawei to trial Russian operating system on tablets for 2020 census

NADEZHDA TSYDENOVA

CHINA's Huawei has begun talks with Russia about installing Russian operating system (OS) Aurora on 360,000 of its tablets to conduct Russia's population census next year, two sources told Reuters.

Huawei has been seeking alternative operating systems to Google's Android OS after Washington put the world's second-

largest smartphone maker on a so-called entity list that threatens to cut off its access to the essential US components and technology.

"This is a pilot project. We see it as the first stage of launching the Russian OS on Huawei devices," the first source told Reuters.

Huawei is in talks with the Russian ministry of communications, a spokeswoman for Huawei said, but did not provide any other details.

Last week, Huawei said the US trade restrictions could cut its smartphone unit's revenue by about \$10bn (£8bn) this year.

Huawei is also racing to develop an OS of its own in preparation for the worst-case scenario of being stripped of essential Android apps.

Aurora's owner, Russia's state telecoms operator Rostelecom, is the sole contractor for buying tablets to hold the census.

Reuters



Huawei's place on a US trade blacklist was deferred an extra 90 days on 19 August

US shipments of durable goods fall in trade war

JESS CLARK

@jclarkjourno

US ORDERS for durable manufactured goods rose last month. However a dip in shipments of non-defence capital goods indicated that the uncertainty caused by the ongoing trade war continued.

New orders for manufactured durable goods increased 2.1 per cent to \$250.4bn (£204bn) in July, the US Census Bureau announced yesterday.

Shipments of manufactured durable goods fell 1.1 per cent in the month following two consecutive monthly increases.

Orders for non-defence capital goods excluding aircraft, a closely watched proxy for business spending plans, increased 0.4 per cent last month.

The growth was driven by strong demand for electrical equipment, appliances and components.

Data for June was revised down to show the core capital goods orders advancing 0.9 per cent instead of 1.5 per cent as previously reported.

Economists polled by Reuters had forecast that core capital goods orders would fall 0.1 per cent in July. Core capital goods orders increased

1.5 per cent on a year-on-year basis, while shipments of core capital goods fell 0.7 per cent last month – the biggest drop since October 2016.

Core capital goods shipments are used to calculate equipment spending in the government's gross domestic product (GDP) measurement.

Data for June was revised down to show core capital goods shipments were unchanged instead of rising 0.3 per cent as previously reported.

"The data confirms that business investment momentum continues to fade and is likely to provide limited support to GDP growth in the second half," Lydia Boussour, a senior US economist at Oxford Economics, told Reuters.

"The combination of tighter financial conditions, elevated trade uncertainty and deteriorating global growth will weigh on investment decisions in coming months, putting further downside risk to the already fragile business investment picture."

Veronica Clark, an economist at Citigroup, added: "The report reaffirms that industrial sector activity and business investment remain soft, in line with weakness globally as trade concerns weigh on activity."

Tesla to continue hiking prices in China as tariff skirmish worsens

BRENDA GOH

ELECTRIC vehicle maker Tesla will raise prices in China on Friday, earlier than planned, and is considering increasing prices again in December should Chinese tariffs on US-made cars take effect, people familiar with the matter said.

The company is among many impacted by Chinese-US trade friction. It currently imports all the cars it sells in China and has had to adjust prices multiple times over the past year due to tariff changes.

Reuters reported this month that Tesla was considering lifting prices in China from September after the yuan weakened significantly against the US dollar.

One person told Reuters yesterday that the car maker was bringing forward these plans to 30 August.

Both people said the firm is now also mulling another price hike in December after China's commerce ministry last week announced it would reinstitute tariffs of 25 per cent on vehicles and five per cent on auto parts.

Reuters

Tour de Wharf

INTER-COMPANY

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Amgen deal for Celgene skin drug paves a path to Bristol-Myers merger

MICHAEL ERMAN

AMERICAN biopharmaceutical company Amgen is to buy Celgene's psoriasis drug Otezla for \$13.4bn (£10.9bn) in cash, clearing the way for Bristol-Myers Squibb to go ahead with its \$74bn deal for Celgene by the end of the year.

Amgen, which announced the deal yesterday, is paying a hefty price for the drug, analysts and investors said. Still, Otezla will deliver growth for the company right away and its shares rose around 3.2 per cent.

Bristol-Myers and Celgene shares were both up around three per cent.

Bristol-Myers said in June that it would sell Otezla to allay concerns raised by the US Federal Trade Commission because of a competing treatment that it is developing.

Analysts said at the time that they

were expecting Otezla to sell for between \$8bn and \$10bn.

Bristol-Myers said that there was significant interest from multiple potential buyers from early on in the process.

Otezla brought in sales of \$1.61bn last year.

Amgen said it expected the drug's sales to grow at least in the low-double digits over the next five years.

Jeff Jonas, healthcare portfolio manager at Gabelli funds, said that a number of Amgen's current drugs faced loss of patent protection and competition from similar drugs, so the growth from Otezla would be welcome.

"This is an attractive product for them that fits more or less with their current portfolio," he said.

"It's an approved product with a good safety profile, so there's not a lot of risk."

Reuters



An Atlanta KFC restaurant will be offering diners plant-based alternatives to meat

Will they take off? KFC debuts vegan chicken wings on menu

NIVEDITA BALU

YUM BRANDS said yesterday it will trial Beyond Meat's plant-based chicken nuggets and boneless wings at an Atlanta KFC restaurant, the latest fast-food chain trying new options to attract vegan diners.

The restaurant will roll out its vegan menu items nationally based on the customer feedback from the Atlanta test, Yum said. Yum is the latest big-chain restaurant jumping on the vegan bandwagon as fast-food chains tweak menus for vegans and so-called flexitarians.

Reuters

Ministers double green cash as Amazon burns

AUGUST GRAHAM

@AugustGraham

BRITAIN will more than double its commitment to a green fund designed to help natural habitats, including the Amazon rainforest which is being devastated by wildfires, ministers said yesterday.

The government will contribute £1.4bn over the next four years to a UN fund set up to help meet the organisation's climate targets.

"This is a global problem that requires a global solution. Britain cannot solve such problems alone," said international development secretary Alok Sharma.

He said the new British commitment to the green climate

fund will help increase investment to prevent and prepare for climate change.

Existing green fund projects are estimated to help 300m people cope with the effects of climate change. They are also reducing carbon emissions by the equivalent of 1.5bn tonnes – or the same as grounding all of the world's planes for a year and a half.

It has provided \$5.2bn (£4.3bn) to 111 projects since launching in 2015, while also mobilising more than \$13.5bn from private investors.



"I am delighted that the UK is leading the world in a fight against climate change. Having committed to achieving net zero emissions by 2050, we have a responsibility to help other countries do the same," said business

Fires are rippling through the Amazon rainforest

and energy secretary Andrea Leadsom. Between 2014 and 2019, the UK gave £720m to the green climate fund. It comes as world leaders have blamed Brazil's President Jair Bolsonaro for failing the Amazon.

Indonesian president names forested island of Borneo as site for new capital to replace Jakarta

AGUSTINUS BEO DA COSTA

INDONESIA yesterday revealed the long-awaited site for its new \$33bn (£27bn) capital on the forested island of Borneo to replace the crowded, polluted megacity of Jakarta, which is slowly sinking into the sea.

The capital of the world's fourth most populous country, on the island of Java, is now home to 10m people and is prone to floods, traffic gridlock and faces the risk of earthquakes.

The as-yet-unnamed new capital will be in the province of East Kalimantan on Borneo, President

Joko Widodo told a news conference yesterday.

"It is a strategic location at the centre of Indonesia, close to growing urban areas," Widodo said, adding that planning must start immediately if relocation is to begin in 2024.

The site of the new capital, 2,000km (1,250 miles) north east of Jakarta, is one of the regions least prone to the natural disasters that regularly hit the archipelago of 17,000 islands.

There are also economic and political reasons for moving the capital from Java, which Widodo said was home to 54 per cent of

Indonesia's 260m people.

But environmentalists fear the move will hasten the destruction of forests that are home to orangutans, sun bears and long-nosed monkeys, as well as increasing pollution.

Officials have set aside 445,000 acres of government land. Widodo said the move would cost just under \$33bn, of which the state would fund 19 per cent, with the rest coming from public-private partnerships and private investment.

The price tag includes new government offices and homes for about 1.5m civil servants.

Reuters

German court lifts restrictions on Facebook

JOSEPH NASR

GERMANY's cartel office said yesterday it would challenge a regional court decision to suspend restrictions it had placed on Facebook's data collection practices.

A court in Dusseldorf suspended a February decision by the federal cartel office to order Facebook to restrict data collection in Germany.

Afterwards, Andreas Mundt, head of the cartel office, said. "To clarify these questions, we will file an appeal to the federal court of justice."

Germany, where privacy concerns run deep, is at the forefront of a global backlash against Facebook.

The antitrust watchdog objected in particular to how Facebook pools data from third-party apps – including its own Whatsapp and Instagram – and its online tracking of people who aren't members through Facebook "like" or "share" buttons.

Reuters

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
Code: FULL/FULMAJ/FULEIA/FULLR3 – Planning Permission; LBC – Listed Building Consent;
TPO – Tree Preservation Order; OUTL – Outline Planning Permission

Offices, 27 Throgmorton Street, London, EC2N 2AQ

19/00653/LBC

Installation of artificial green wall and planters at third floor level.

53 - 55 Carter Lane, London, EC4V 5AE

19/00698/DPAR

Determination under Part 3, Class C of Schedule 2 of the Town and Country Planning (General Permitted Development) (as amended) Order 2015 as to whether prior approval is required for a change of use from retail (Class A1) use to Restaurant and Cafe (Class A3) use.

Site Bounded By Stone House And Staple Hall Bishopsgate, Devonshire Row, London, EC2

19/00710/FULMAJ

Application under Section 73 of the Town and Country Planning Act 1990 to vary Condition 52 (approved drawings) of planning permission 17/00623/FULL dated 02.02.2017 to enable minor material amendments to the approved scheme for a mixed use development comprising a luxury hotel, residential accommodation, retail uses (A1 and A3), hard and soft landscaping works including provision of a new public plaza, alterations to vehicular and pedestrian access and highways layout together with ancillary plant, servicing and associated works. (56,526sq.m. gea). The minor material amendments are for the use of 90sq.m for Class A1 retail storage in lieu of approved Class C3 back of house hotel space at basement level 1; use of 82sq.m. for dual use Class B1/Class A3 (sui generis) in lieu of approved Class A3 restaurant at ground floor; use of 21sq.m for Class B1 use in lieu of approved Class A1 use at first floor level; use of 281sq.m. for Class B1 offices in lieu of approved Class A1 at second floor level and use of 783sq.m as Class B1 in lieu of approved Class C3 back of house hotel space at first and second floor level. (Total Class B1 offices 1,121sq.m.)

City Point, 1 Ropemaker Street, London, EC2Y 9AW

19/00823/FULL

Alterations to the north terrace at level 6 to include installation of 1.3m high glass balustrade; timber decking, planters and seating; double doors to provide access to the terrace from the existing offices and installation of a spiral staircase to access level 7 and alterations to the west terrace

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 09.30 and 16.30. Representations must be made within 21 days of the date of this newspaper online or in writing to PLNComments@cityoflondon.gov.uk or the Chief Planning Officer, PO Box 270, Guildhall, London, EC2P 2EJ. 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.



Founders warn UK risks losing its fintech crown

JESS CLARK

@jclarkjourno

TECH firm founders have warned that the UK is at risk of losing its position as the global fintech leader.

Sector leaders urged the government to "not be complacent" about the country's fintech crown, as a new survey revealed that founders of fintech firms were concerned about access to talent and capital and the potential impact of Brexit.

A survey of 50 UK fintech founders, including CrowdCube, Iwoca and LendInvest, found that 63 per cent believe the UK is the global leader in the sector.

However, only 33 per cent of respondents agreed that the UK will still hold the top position in the next five years.

More than half of the respondents to the survey published today by the Digital Finance Forum called on the government to appoint a secretary of state for technology to help to maintain Britain's reputation as a leading fintech hub.

Participants in the research also recommended that the government should listen more to founders within the sector and endorse a number of individuals to be official ambassadors for the fintech industry.

The survey also revealed that 69 per

cent of founders are worried about the impact of the UK's exit from the European Union on their businesses.

Meanwhile, 66 per cent of respondents said they want a better visa system to encourage highly skilled, in-demand workers.

In total 29 per cent of founders said raising growth capital is a "considerable challenge" for their business.

A number of founders also said more specialist investors or funds would be welcomed by the sector.

However overall, most founders were more optimistic about their businesses than they were at the beginning of the year.

Christian Faes, chair of the Digital Finance Forum and co-founder of LendInvest, said: "The Digital Finance Forum is facilitating a dialogue and asking those who are actually at the coalface of building the fintech sector, what they think and how the government might be able to help."

"The UK must not be complacent about being the world leader in fintech – and there's definitely a feeling from fintech founders, as revealed through this survey that this threatens to be the case."

"There is clearly an opportunity with the new government to make the fintech sector a priority again."

RUGBY RECORD BREAKERS Epic 30-hour match puts City folk in the history books



WITH temperatures soaring over the Bank Holiday weekend, one group of City boys decided they would handle the heat by... playing rugby for 30 straight hours. Hosted by London Irish, the teams broke a new world record, busting the previous best of 29 hours 15 minutes. Former England star Andrew Gomarsall (above, left) was joined by Investec's Mike Francis, Chris

Ball from Barclays Wealth, Dave Thomas (founder of the Foundry Gym on Leadenhall Street) and many others, all in aid of the School of Hard Knocks charity. Square Mile restaurateur Martin Williams (also pictured above with ex-England forward Simon Shaw) was on hand to reward the players with some hard-earned champagne and juicy steak for their efforts.

Romania ruling party rocked as junior ally quits

RADU-SORIN MARINAS

ROMANIA's ruling Social Democrats (PSD) lost their small parliamentary majority yesterday after a junior ally quit the government over policy, leaving them vulnerable to a confidence vote.

Liberal party ALDE withdrew from the alliance two days after leader Calin Popescu Tariceanu lost a bid to become the sole pro-government candidate in a presidential election scheduled for November. The PSD instead picked its leader, Prime Minister Viorica Dancila, to challenge incumbent Klaus Iohannis.

ALDE's move, a year before a parliamentary election, would normally raise the prospect of an early ballot. But a fragmented opposition may prefer to wait the full term out, analysts say.

Tariceanu, a former prime minister himself, said the PSD had performed poorly in government and failed to take the necessary steps to restructure the cabinet.

EU and US authorities have strongly criticised the governing alliance for an overhaul of Romania's judiciary that they say threatens the rule of law, and for watering down anti-graft legislation.

Dancila said the PSD would continue to govern.

"The important thing is to not disappoint our voters who trusted us in 2016 [national] elections," she said on her Facebook page.

Yesterday's move leaves the PSD 25 seats short of a parliamentary majority.

Reuters



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Pinsett Masons

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Pinsett Masons are proud to support CGD once again. CGD provides a fun opportunity for us to come together with other businesses throughout the City to celebrate the diverse range of charitable and volunteering efforts by all. It's also a fantastic chance for us to raise awareness of our charity partners amongst our staff and clients.

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We are incredibly grateful for the support of Pinsett Masons who are helping us provide holistic and sustainable clean water solutions to our WE Villages communities in India and Kenya.

Sonia De Sousa, Partnerships Manager, WE Charity

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New 3D scanners at British airports set to ease rules on cabin baggage

ALEXANDRA ROGERS

@city_amrogers

ALL MAJOR British airports have been told that they must introduce new 3D equipment to screen cabin baggage before the end of 2022.

The government said the new technology could mean that passengers will be allowed to take liquids and electrical equipment in their cabin baggage, in a move that would cut queues.

The rollout of the technology, which will happen over the next

few years, could also end the 100ml restriction on liquids which currently applies at all British airports.

Prime Minister Boris Johnson said the measures would reduce hassle for travellers.

"By making journeys through UK airports easier than ever, this new equipment will help boost the vital role our airports play in securing the UK's position as a global hub for trade, tourism and investment," he said.

In June, Heathrow announced

that it was investing more than £50m in a 3D security system based on computed tomography (CT) technology which would be installed across its terminals over the next three years.

Introduction of the scanners will ultimately allow passengers to keep liquids in their bags and eliminate the need for separate plastic bags.

However, passengers will still have to follow the old rules until other UK airports change their technology.

Let India and Pakistan solve Kashmir, says Trump

JOHN CHALMERS

US PRESIDENT Donald Trump said yesterday that India and Pakistan could handle their dispute over Kashmir on their own, but he was there should they need him.

Trump previously offered to mediate between India and Pakistan on Kashmir, a mountainous region which has been the source of repeated

confrontations between the two nuclear-armed neighbours ever since they gained independence from British colonial rule in 1947.

The president discussed the issue on the sidelines of the G7 summit in France with Indian Prime Minister Narendra Modi, who withdrew autonomy for the state of Jammu and Kashmir earlier this month.

Trump said: "We spoke last night about Kashmir, the prime

minister really feels he has it under control," he told reporters. "They speak with Pakistan and I'm sure that they will be able to do something that will be very good."

Trump infuriated India last month when he said Modi had asked him to mediate, drawing an immediate denial from New Delhi. Sitting alongside Trump, Modi said the issues over Kashmir were bilateral, between India and Pakistan.

Reuters

CITY DASHBOARD

YOUR ONE-STOP SHOP FOR BROKER VIEWS AND MARKET REPORTS

LONDON REPORT

Trump tweet on China halts the FTSE's recovery

LEADING shares handed back early gains to end lower on Friday after US President Donald Trump's tweeted "order" that US companies shut operations in China, which dragged internationally exposed miners and banks into the red.

However, a 32 per cent jump in Peppa Pig owner **Entertainment One** after agreeing to be bought by US toy maker Hasbro lifted the UK midcap index.

The FTSE 100 shed 0.5 per cent after enjoying a recovery for most of the day, as the tweet from Trump about US-China trade just minutes before the closing bell sharply raised concerns over international trade.

The FTSE 250, meanwhile, ended 0.2 per cent higher.

Oil majors **Shell** and **BP** were the worst hit stocks after Trump said that US companies should "immediately start looking for an alternative to China", after Beijing officials earlier retaliated by imposing tariffs on \$75bn (£61bn) of US goods.

Asia-focused financials and miners, which count on China as it is the world's top metals consumer, were also weaker.



Fears about how the trade dispute would affect the global economy and the risk of an impending recession have put the main index on track for its biggest monthly loss in four years.

The FTSE 100's initial gains were brought on by US Federal Reserve chairman Jerome Powell's reassurance that the central bank would "act as appropriate" to keep the current economic expansion on track.

Among individual stocks, Entertainment One shares surged to a life

Shares in a fund run by Neil Woodford lost 1.4 per cent of their value

high at 579p, surpassing the 560p per share deal agreed with Hasbro – valuing the firm at \$4bn – in a sign that investors see a chance of a counter offer.

Woodford Patient Capital Trust, the listed fund run by money manager Neil Woodford, tumbled to an all-time low after the trust's administrator said it would cut the valuation of one of its biggest holdings.

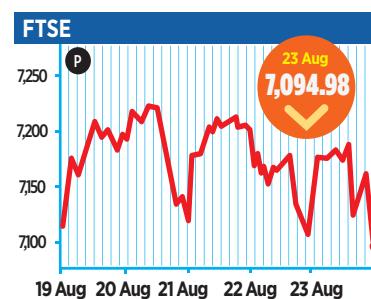
The stock, however, clawed back some of the initial losses to end down 1.4 per cent.

TOP RISERS

1. **Fresnillo** Up 2.89 per cent
2. **SSE** Up 2.60 per cent
3. **Berkeley Group** Up 2.56 per cent

TOP FALLERS

1. **NMC Health** Down 6.05 per cent
2. **JD Sports** Down 2.88 per cent
3. **Marks & Spencer** Down 2.63 per cent



BEST OF THE BROKERS

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



Greggs shares rose dramatically from January to July, climbing over 90 per cent after the Geordie baker announced a vegan sausage roll. Since the middle of last month, however, the stock has fallen over 15 per cent as investors question whether the company's value has been overcooked. Canaccord Genuity analysts note that for the rest of the year "the quarterly prior-year trading get progressively tougher which will make the prospect of further trading surprises less likely". They say "hold" Greggs in the oven for a little while longer and set an unchanged target price of 2,050p.



UK shopping centre owner Newriver has reported its share price flowed sharply downwards by almost 20 per cent in 2019 so far, partially because embattled stock-picker Neil Woodford reduced his fund's stake in the firm. Yet analysts at broker Liberum say the firm's "current valuation does not reflect its significant differentiation to retail peers". They say convenience-led Newriver's diverse streams of income, its affordable rents and modest gearing make the shares an attractive prospect that offer "significant value". They say "buy" with a target price of 270p.

ON THE BEACH



British holiday company On The Beach's share price plummeted nearly 20 per cent after it warned it faced lower profit due to a falling pound. Sterling's decline meant it had to charge more for its holidays to Spain and France, causing customers to say *adios* and *au revoir* to the firm. Jefferies continues to favour On The Beach's flexible business model, however. Its analysts say investors should focus on the quality of the business's set-up, rather than just its growth. Jefferies says pop On The Beach in your suitcase with a "buy" rating at a downgraded target price of 375p.

CITY MOVES WHO'S SWITCHING JOBS

QUADRANT

Quadrant, the UK real estate asset management and development company, has appointed Duncan Reader as a partner. He specialises in the retail sector and will focus on planning, development, asset management, leasing and disposals. He joins from Orchard Street Investment Management, where he was an asset manager. Prior to that, he worked at British Land, focusing on the retail park portfolio. His previous experience includes roles at JLL, as an asset manager



responsible for shopping centres, and Churston Heard, where he was part of the shopping centre leasing and development consultancy team. He started his career at Liberty Properties. Duncan said: "This is an exciting time to join the well-respected and entrepreneurial team at Quadrant." Christopher Daniel, founding partner at Quadrant, said: "With a strong track record of driving value within the retail sector, Duncan bolsters our existing team with his wealth of experience gained across a multitude of relevant roles. Having demonstrated our expertise in retail parks with success stories such as Gallagher Shopping Park in Wednesbury and Great Western Retail Park, Glasgow, this is an area we are keen to grow and Duncan is well placed to help us achieve our ambitions."

BNP PARIBAS REAL ESTATE

BNP Paribas Real Estate has appointed Richard Pilsbury to launch a new nationwide cost consultancy. The division will support the building consultancy arm and allow the business to offer a more comprehensive range of services, particularly at the early stages of development projects. BNP Paribas Real Estate development teams work on over 300 schemes a year. Richard said: "I'm very excited to join BNP Paribas Real Estate at this time and to play a leading role in growing this part of the business." Gary Williamson, head of building surveying at BNP Paribas Real Estate, said: "We are delighted to have Richard on board and as a highly experienced cost consultant he will be able to offer advice that will bring long-term value to projects."

DUN & BRADSTREET

Dun & Bradstreet, the global leader in commercial data, analytics and insights for business, has named Sam Tidswell-Norish to lead the international marketing and communications efforts. He will direct an integrated marketing and communications strategy within and across the United Kingdom and Ireland, Greater China, India and Dun & Bradstreet's worldwide network of partners and play an integral role in the international growth strategy of the newly privatised company. Sam led business development at Motive Partners, including marketing and communications, strategic partnerships and government relations. Motive Partners was part of an investor group that acquired Dun & Bradstreet in February this year.

NEW YORK REPORT

Wall St lifted by easing of trade tensions

WALL STREET's main indexes rose one per cent yesterday as US President Donald Trump eased his stance on trade with China, calming investor nerves after an intense feud between the world's top two economies last week sent stocks tumbling.

Shares of tariff-sensitive companies rose in response, with **Apple**'s 2.1 per cent gain boosting technology stocks, while a one per cent rise in **Boeing** lifted the Dow Jones Industrial Average.

Data from the US Commerce Department showed that new orders for key US-made capital goods rose modestly in July, while shipments fell by the most in nearly three years. The report could back the case for the Federal Reserve to cut interest rates again next month.

Concerns about the global economy slipping into recession and uncertainty over the pace of US interest rate cuts have made investors nervous about how far the longest cycle of US expansion would survive. The S&P 500 is now five per cent off its record high.

Despite the broad-based rally yesterday that saw all 11 S&P 500 sectors rise, Wall Street's fear gauge, the CBOE Volatility index, hit its highest level in more than a week, earlier in the session.

The Dow Jones Industrial Average rose 266.54 points, or 1.04 per cent, to 25,895.44, the S&P 500 gained 28.34 points, or one per cent, to 2,875.45 and the Nasdaq Composite added 89.97 points, or 1.16 per cent, to 7,841.73.

Among other stocks, **Celgene** rose 2.9 per cent after Amgen said it would buy the company's psoriasis drug Otezla, clearing the way for **Bristol-Myers Squibb** to go ahead with its \$74bn (£60.5bn) deal for Celgene. Shares of Bristol-Myers jumped 2.9 per cent.

Shares of **Dish Network** jumped 3.7 per cent, after brokerage Raymond James double-upgraded the stock to "strong buy" from "market perform".

CRYPTO A.M.

PARTNER CONTENT

CITY A.M.'S CRYPTO INSIDER

JAMES BOWATER

With the Bank Holiday interrupting printing schedules, I wrote today's column on Friday, 23rd August 2019 in the South of France. Consequently published market prices are as at the time of writing and might well have changed considerably by today.

Bitcoin (BTC) is down from last week at US\$10,126.20; Ethereum (ETH) is at US\$190.81; Ripple (XRP) is at US\$0.2714; Binance (BNB) is at US\$27.06 and Cardano (ADA) is at US\$0.04982. Overall Market Cap is at US\$266.22bn (data source: www.CryptoCompare.com)

Staying in France, all eyes are on Biarritz for the meeting of the G7 and it would appear they have a lot to discuss in the world right now! Global macroeconomic factors are arguably more important than ever.

The Hong Kong protests see no sign of halting anytime soon; the Kashmir crisis is ongoing; Iranian tensions remain high with task forces en route; the worst fires for decades are decimating the Amazon Rainforest; the German economic situation not looking too healthy which could spread throughout the Eurozone and obviously the Brexit deadline is growing ever closer with no concrete signs of an agreement - although Prime Minister Johnson saw glimmers of hope for amending the Withdrawal Agreement.

All this uncertainty fuels discussion for safe haven investment with gold punching through \$1,500 again. Bitcoin having had a boost from the announcement that Intercontinental Exchange-owned Bakkt will launch on the 23rd September will be evermore attractive as an alternative to gold and not just amongst millennials.

Closer to home, I caught up with Oliver Hibbs-Brockway, Founder & CEO of Nodal as featured in the Crypto AM Spotlight on 30th April (see www.cityam.com/crypto-insider) who expanded on his recent Forbes article for his vision of the future for the freelancer market.

Speaking on the phone from Nodal's London HQ he explained that "blockchain has fundamentally challenged old processes in almost every single industry. HR and recruitment, however, is still outdated and cumbersome."

The application of ledger technology not only automates systems such as invoicing and timesheets, as we're doing at Nodal, but it also has the potential to form digital identities of people while providing ownership back to the holder. The very nature of cryptography provides an ethical environment to gather data. Systems like the Sovrin Network give users control of public or private keys. In addition, zero-knowledge proofs allows users to share and authenticate their digital identity without revealing any sensitive information.

At Nodal, we're implementing such technologies that transform both the accessibility and ownership issues surrounding KYC and data, which has proven to be one of the most valuable assets ever. It's exciting to be part of a project that has a vision to truly decentralise the skills, talent and characteristics that make us all unique."

I'm particularly keen on the possibilities that Nodal's tech stack present - a proper British homegrown business! You can find out more by emailing Nodal Labs at hello@nodal.com.

Our series on AI, Blockchain, Cryptoassets, DLT and Tokenisation



Cryptocurrencies are almost as old as money itself. Indeed, crypto simply means concealed or secret. So the first man (or woman) who tried to exchange some rocks for a sheep could be said to have been using a cryptocurrency. Up to that point a sheep had been worth 15 chickens. It's simple, really. You attribute a symbolic sense to something you do not see.

FINANCE HOUSES AND LIQUIDITY

Move on to the 1600s when after the Thirty Years War belief in what then passed for "money" was at a low. Something else had to be found, and it was, in the shape of strong finance houses with robust links to other similar houses. They issued their own currencies when the State currencies could no longer be trusted. Move on again to the American experience of the mid 1800s. There were over 8000 "currencies" - usually paper - being traded around the country with a big business in accepting and exchanging them. There had to be some form of currency to enable trade to take place as America expanded. These of course were seriously open to abuse and eventually the individuals and banks that had issued them had to bow to the Federal Government creating its own, reliable currency.

LIQUIDITY CREATED - WIR

In the 1930s there was to all intents and purposes no liquidity in any markets. Things were so bad that some of the good citizens of Zurich created their own currency to enable them to trade. This was called WIR and was, indeed, like those currencies before it, a cryptocurrency. Over the years it has prospered (perhaps one would expect a Swiss monetary instrument to do this) until today it is used by more than half a million people, over 70,000 businesses and transacts some CHF2.5 billion annually - that's around half a percent of Swiss GDP. By doing so, it illustrates exactly what "Money" is - a trusted medium of exchange that others will accept, and a stable store of value.

CRYPTO TODAY

The present crop of crypto currencies rely on digital technology to give them credibility. You can't have a run on the "Bank"

HOW CRYPTOCURRENCIES ALREADY ADD VALUE TO SOVEREIGN NATIONS

Designed by
Phill Snelling,
Bowater Media

for example - there isn't one. Despite being relatively small in terms of value (only some 0.1% of total world assets) they already show what digital and crypto currencies can do to enhance people's lives. As an example, if you want to send £1 million to anywhere in the world, that will cost you between £20-30,000. Using a digital currency, it can be done for 50p. In fact, the Philippines is looking to create a Bitcoin transfer system for its overseas citizens. Using this system would save their economy over USD1.5 Billion a year - a significant sum in a poor country.

The three cryptos no one talks about

There are three interbank tools that are in effect digital currencies and have been for years. These are:

1. Target2 - the ECB system, the old Bundesbank system which is currently so po-

litically in focus in respect of Italy
2. IMF SDRs - Special Drawing rights
3. The highly secret interbank settlement system at the BIS in Basel.

These three were absolutely crucial in getting the world through the 2007 crisis.

Hyun Song Shin of the BIS argued last year that cryptos (and he was specifically talking about Bitcoin) had issues with scalability and finality. At that time he was right as you would expect, but he was talking about first generation blockchain. We have since had second generation in Hyperledger, and now third generation called Permissioned Decentralised Blockchain. Facebook's Libra will largely use this system and there can be no doubt this will revolutionise the use of digital and crypto currencies world-wide. We've gone from around 35 million wallets to a

Crypto A.M. shines its Spotlight on Digitex Futures

Cryptocurrency derivatives are having a moment. The CME has reported all-time highs on its regulated bitcoin futures, and Bakkt has also recently obtained clearance to offer a physically-settled BTC futures contract.

Meanwhile, one company is eyeing up the market for retail cryptocurrency futures. Digitex has recently confirmed a launch date for the first-ever zero-fee futures trading platform, a move that could prove pivotal for the entire cryptocurrency exchange space.

WHAT IS DIGITEX?

The Digitex Futures exchange is the brainchild of former professional trader Adam Todd, who started his career in the City trading pits. There, he learned the art of scalping - a small profit, high-frequency trading style.

Later, Todd would apply the same technique to the betting markets. This led him to develop a tool called BetTrader, an

online ladder trading interface connecting to Betfair, the world's biggest betting exchange.

Now, Todd is applying everything he learned to the development of Digitex. He's a firm believer that the existing crypto-derivatives markets are ripe for disruption, given that the maker and taker fee structure of the existing exchanges like BitMEX are prohibitive to his style of short-term trading.

By offering a zero-commission futures

Digitex is set to truly disrupt the cryptocurrency futures industry.



Adam Todd, CEO of Digitex Futures

exchange, Todd believes he can lure in the long tail of retail traders wanting to scalp profits from the volatile cryptocurrency markets.

So how does a zero-fee exchange make money? Well, Todd has come up with a way

of using a blockchain-based token, called DGTX, to generate funding to run the exchange.

How it works is that all trade settlements and account balances on the platform will be denominated in DGTX tokens. It won't

be possible to trade on Digitex unless you own DGTX, and because the platform has the edge of its zero-commission model, this will continually generate demand. As there is a fixed supply of tokens, this demand will drive up the price. Therefore, the exchange can fund itself in the future by managing the quantity of DGTX tokens.

STANDOUT FEATURES

The exchange will feature the same ladder trading interface that Todd set up in BetTrader; the ideal setup for anyone wanting to focus on making instant trades that ride the markets. Traders can also take advantage of up to 100x leverage.

The company has reserved ten percent of circulating DGTX tokens for automated market makers, which are programmed to lose, creating a mechanical edge in favour of the trader.

Digitex is working alongside Moscow-based development team, SmartDec. An Ethereum smart contract auditing firm with a proven track record of working with some of the biggest names in the blockchain space.

With over 1.5 million subscribers to its waitlist, Digitex will ensure liquidity from day one. Digitex will launch to the public in test mode from 30th November with a full launch expected to happen a few months later.

Find out more at digitexfutures.com.

E: CryptoInsider@cityam.com

@CityAm_Crypto

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plant central bank money as a medium of exchange.

FUTURE PAYMENT NEEDS

In the future, physical cash or even bank transfers as we currently know them are unlikely to be the main answer. Central banks are already working on systems and digital currencies that will be trusted and used. Existing crypto-assets have exhibited a high degree of volatility and are considered an immature asset class given the lack of standardisation and constant evolution. They present a number of risks for banks, including liquidity risk; credit risk; market risk; operational risk (including fraud and cyber risks); money laundering and terrorist financing risk; and legal and reputation risks. But new know your customer and anti-money laundering rules will mitigate much of this.

In many ways, the African sub-Saharan region has become a leader in mobile money resulting in a radical change in the delivery of financial services and significant gains in financial inclusion. Where there is a lack of payment infrastructure, the use of crypto currencies immediately enhances trade and social inclusion. You only have to think of Eastern Europe which hardly had a fixed line telephone system before 1989, and suddenly every man and his dog had a mobile phone, leapfrogging to a new world.

Christine Lagarde in an excellent speech to the November 2018 Singapore Fintech Conference, has posed the question - should central banks issue a new digital form of money?

Arguably they already have. As such, it can only be seen as a force for good.

Temple Melville, CEO of The Scotcoin Project CIC, in conversation with James Bowater.

For more information visit www.scotcoin.com. Temple's LinkedIn profile is <https://www.linkedin.com/in/temple-melville-81273328/>

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potential 2.7 BILLION. But Shin's central thesis holds good – you need people to USE these new currencies to make them both trusted and useful, and having exchanged goods for the currency, the person TAKING the currency needs to find someone else to take it as well.

CASH DECLINING

The use of cash has been declining for years in most western countries, and the Central Banks have realised that it will have to be replaced with something. To this end both Sweden and Uruguay have run full scale crypto trials which have largely been successful, though not set for full implementation anytime soon.

The use of cryptocurrencies can and should mean social inclusion. Whilst Central Banks' attitude remains "Bitcoin

is not a good idea," the idea behind it continues to fire imaginations all around the world.

THE BRIXTON POUND

This remains a very positive initiative which is making a real difference within Brixton. Arguably it's as old as Bitcoin. People are prepared to use it and pass it on – and the money stays in Brixton. That is different from the likes of Bitcoin which is world-wide, but it doesn't detract from the social inclusiveness of it. We look to history for lessons on the nature of money and the role of central banks in building trust in the use of money in society. The issue of trust has again come to the fore in debates on the durability of cryptocurrencies such as Bitcoin, and how far private money can sup-

BLOCKCHAIN SHUTDOWN

Troy Norcross, Co-Founder Blockchain Rookies



Immutability is one of the core principles defining blockchains. Immutability means unable to be changed. But it doesn't mean permanent. If the blockchain is shut down, the data could go away, forever.

SO HOW COULD A BLOCKCHAIN BE SHUT DOWN?

In the simplest of terms, a blockchain can be shut down by turning off the entire network of computers which are required to verify and validate the data in the blockchain.

WHAT HAPPENS TO THE INFORMATION IN THE BLOCKCHAIN ONCE IT HAS BEEN SHUT DOWN?

The answer depends on what hap-

pens to the servers. If the data is erased from all of the servers and there is no backup, then the data is lost.

Shutting down the tens of thousands of computers running the Bitcoin network would be difficult, but it's not impossible. The more nodes, the harder it is to shut down. This is one of the reasons why it is so important to have a large number of globally distributed nodes (computers) supporting a public permissionless blockchain.

For a private blockchain, the number of nodes is typically far smaller making shut down of a private blockchain easier. For some enterprise customers it may be desireable to have a blockchain which only exists for a

specific period of time.

Once shut down, can you turn it back on again? Possibly. If there are sufficient nodes with a current copy of the data when the blockchain was shut down, they may be able to reach consensus before resuming the work of adding new data to the blockchain.

The information on a blockchain is considered to be immutable. Immutable does not mean true. Equally, immutable does not mean forever.

Thanks to Richard Jackson t:@rncjackson for asking the question: How do you shut down a blockchain?

Get in touch with us info@blockchainrookies.com / Twitter @igetblockchain

CRYPTOCOMPARE MARKET VIEW

SEC cracking down on actors from 2017 boom

Last week opened with the news that Binance is proposing to launch an "independent regional version" of Facebook's Libra token, maintaining the celestial theme with the name Venus. The project includes the issuing of a set of stablecoins pegged to fiat currencies in several as-yet-undefined regions. The news follows the issuance of a GBP-backed stablecoin through the exchange's Jersey-based subsidiary in July of this year.

The US SEC has issued a cease-and-desist order against ICO Rating, a site popular during the ICO boom for its analysis of upcoming offerings, claiming that the company violated Section 17(b) of the Securities Act. According to the SEC, ICO Rating was compensated around \$100k for its reviews, often deemed questionable by investors, without proper disclosures. The move is part of a campaign by the regulator to bring to

account the unscrupulous actors from the 2017/18 token mania, which has included action against three notable ICOs to date.

Another major story from the week was the resignation of US internet retailer Overstock's CEO Patrick Byrne. Byrne became a prominent figure in the blockchain space both for his evangelism of Bitcoin and for integrating crypto into the listed company's operations. The announcement followed a New York Times' article in which Byrne made allegations against the US Government.

Finally, derivatives platform BitMEX announced it was restricting access to users in three jurisdictions, namely the Seychelles, Hong Kong and Bermuda, all of which are locations where its parent offices are located. The move is intended to ensure the safety of users' funds and is likely due to regulatory pressure being directed at the trading venue.

CRYPTO A.M. INDUSTRY VOICES

Modelling bitcoin's fair value with on-chain data

When I came across bitcoin in late 2014 I viewed it as a speculative asset whose price was driven by fear and greed. During the previous year it had gone from \$12 to \$1,200, an increase of 9,900%, before subsequently losing 85% the following year. The concept of a decentralized internet money was fascinating, but bitcoin appeared little more than an experiment.

Fast forward to 2017 and bitcoin had made a resounding comeback. Payment processors that facilitate bitcoin as a means of exchange were on the rise. Bitpesa, an FCA regulated company that enables cross border payments over the Bitcoin Network were on track for over \$200MM of volume in 2017. In the US, Bitpay was closing in on \$1Bn worth of bitcoin transactions for its second consecutive year. Bitcoin was no longer an experiment; it was the world's first digital native currency.

Armed with a curious but critical approach, I began to search for data in order to quantify a valuation for the Bitcoin Network. I was not disappointed. Blockchains, unlike traditional payment networks like Visa and Mastercard, provide a vast array of relevant data about network usage to anyone who knows where to look. This data includes the value and velocity of transfers, the number of daily active users, the estimated profitability of the network guardians (or miners), the Profit/Loss position of individual bitcoin holders, total network demand, miners' net inventory positions and much more. All of which can be downloaded directly from the blockchain.

Once the data is downloaded, cleaned and processed it is possible to compute a range of metrics to extrapolate a value for bitcoin (and other similar crypto-asset networks). There are a number of different approaches to determine bitcoin's market value, including both price and non-price indicators.

One of the most interesting non-price models is the network effect. The model

describes the positive relationship between the growth in active users and the network's value. The approach was first used by Robert Metcalfe to model the growth of social media platforms such as Facebook and Tencent. Similar to tech stocks, the Bitcoin Network facilitates interaction between users over a digital medium, gaining value as more people use it. Modelling the network effect over the past two years we can identify three points where the market price of bitcoin was within 5% of that derived through modelling it with this approach.

For those looking for a shorter-term signal, the Network Value to Transaction Ratio (NVT) is the kingpin for establishing bitcoin's fair market value. The NVT measures the value of bitcoin based on its utility as a payment network. Put another way, the NVT measures the market capitalisation of bitcoin relative to the total value transferred over the network in a given period. The NVT is comparable to a price to sales ratio and has proved highly effective at signalling when bitcoin is trading at a premium. Moving into a cash position when bitcoin reaches a premium to this fair value between 2018 to the present day would have seen an outperformance of +40% with significantly lower volatility than a buy and hold strategy.

Bitcoin's meteoric rise and subsequent fall in 2018 left many crypto-asset investors reeling. The problem wasn't that the technology was broken. It was that investors failed to quantify a reasonable valuation. As the technology has matured, so too have the analytics. Data companies such as ByteTree now provide a live window into the blockchain to provide network statistics and financial metrics in real-time. For the first time in the crypto-asset market investors are able to make informed, data-driven decisions.

James Bennett CEO at Bitassist & Head of Research at ByteTree.com Find out more about modelling bitcoin's value using on-chain data at www.bitassist.co.uk.

Scan QR Code to buy tickets to De:Central Days Mallorca in September.

Use discount code CITYAM200 for £200 off delegate pass



OFFICE POLITICS

Lessons in kindness from Mister Rogers

What can businesses learn from the TV presenter who was an icon to Americans?

SAY THE name Mister Rogers to a certain generation of Americans, and they will likely go misty-eyed and start humming the same tune.

Fred Rogers hosted a US children's television programme called Mister Rogers' Neighbourhood that ran from 1968 all the way to 2001. The show was revered for its host's gentle nature and the lessons it taught its young viewers about how to treat one another.

Rogers, who passed away in 2003, has since become an icon of kindness – a characteristic shared by the actor Tom Hanks, who plays him in the upcoming film *A Beautiful Day in the Neighborhood*, set for release in December.

And business leaders could learn a lot from Mister Rogers too.

Bullish, bulldozing and bully-boy characters have traditionally been seen to excel in business, while being "nice" is perceived as weak. This couldn't be further from the truth. Kindness engenders respect and followership. It secures loyalty and compels people to go the extra mile for you.

People like Rogers and Hanks have quietly and consistently set this example for years. "There are three ways to ultimate success," Rogers once said. "The first way is to be kind. The sec-

Holly Maguire



ond way is to be kind. The third way is to be kind."

And now, a resurgence of kindness is occurring in the workplace.

In a world where businesses and brands need to demonstrate humanity and empathy like never before, kindness can help exceed expectations, and strengthen customer loyalty and evangelism. It is also scientifically proven to be contagious, so increases brand virality and a desire for people to respond "in kind".

So here are three practical ways that you can encourage kindness in your own workplace.

REDUCE ANONYMITY

At the start of every episode, Mister Rogers sang the show's theme tune inviting people to be his neighbour. In the same way, we should aspire to make our colleagues feel recognised



Mister Rogers' Neighborhood was revered for its host's gentle nature and the lessons it taught

and valued as individuals.

Warmly greet people you share a lift with, pass in the corridor, or meet on the commute. Remember their partners' and children's names, and be genuinely interested in them and their interests. Knowing people's passions, hobbies and side hustles is also invaluable when casting for pitches, projects and collaborations.

FIX YOUR MEETINGS CULTURE

Phones and laptops prevent us from giving our undivided attention during meetings. Mobile phones should-



CALM DOWN

Deep Meditation Free

It's hard to be kind to your fellow worker when you're in a blind rage because the printer is out of ink again. Rather than smashing the machine to smithereens,

meditating be a better outlet for your pent-up stress? This app has guided audio meditations, as well as calming music. Now take a deep breath in, and breathe out.

n't be seen or heard.

Instead, encourage conversation before and after the meeting starts, and try to avoid silently working on a laptop until everyone arrives. Increasing familiarity among team members boosts productivity, and quite often the best ideas come out of informal conversations.

Or why not take discussions out of the office altogether? Walk the block to talk through a problem with a client or colleague, and approach a challenge from a fresh perspective. Conversations are always more candid when walking side by side as opposed to facing each other over a boardroom table.

MAKE REFERRALS

At Superunion, if we don't feel that we're right for a client or a candidate, we'll refer them to someone more suitable – even if it's a direct competitor. Consider doing the same.

Being genuinely helpful and doing right by them will build your industry reputation – they'll remember you (as will your competitor), and reciprocity is a powerful tool in modern business.

If I leave you with one thing, it's a phrase often used by a former, highly successful and universally liked colleague: "It's nice to be important, but it's more important to be nice".

• Holly Maguire is UK managing director at brand agency Superunion.

COFFEE BREAK

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SUDOKU

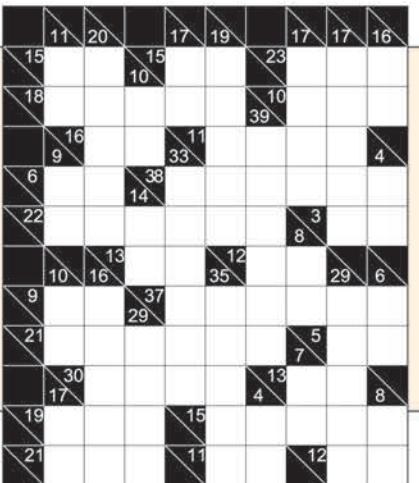
Place the numbers from 1 to 9 in each empty cell so that each row, each column and each 3x3 block contains all the numbers from 1 to 9 to solve this tricky Sudoku puzzle.

	5		2	3	9			
3					6			
			3	2	5			
7		8	1			6		
8			5		9			
5			2	6	4			
7	4	2						
3					9			
9	8	6			4			

KAKURO

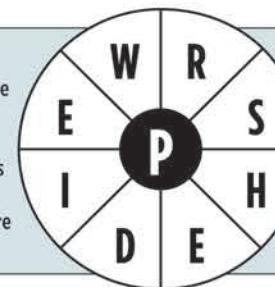
Fill the grid so that each block adds up to the total in the box above or to the left of it.

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 nouns. 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.

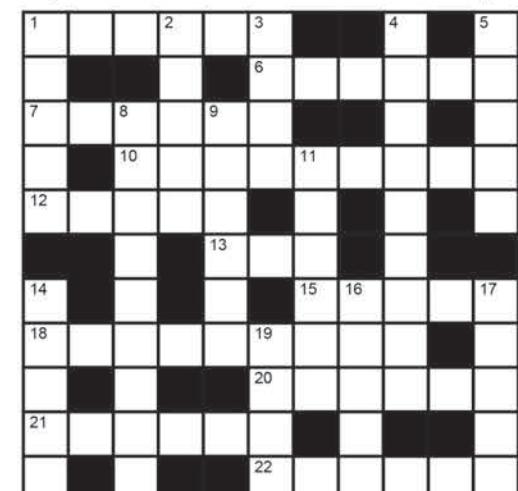


SUDOKU

5	1	7	3	2	6	4	8	9
2	4	3	5	1	2	6	4	
5	8		5	8	7	9		
1	7		4	3	6	2	1	5
9	8	3	2	5	1	7	6	
9	5		7	2				
8	7	6	1	2	3	4	5	
9	6		2	3	9	8	1	
9	8	7	6	5	4	3	2	1

The nine-letter word was
SINCERELY

QUICK CROSSWORD



ACROSS

- 1 Imperfect (6)
- 6 Breathe out (6)
- 7 Series of arches supported by columns (6)
- 10 Exaggerate (9)
- 12 Equipment that measures periods (5)
- 13 Promissory note (inits) (3)
- 15 Room at the top of a house (5)
- 18 Person to whom an envelope is written (9)
- 20 Drink to follow immediately after another drink (6)
- 21 Nepalese soldier (6)
- 22 Decapitate (6)

DOWN

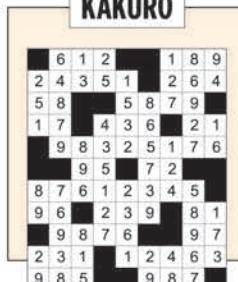
- 1 Large and elaborate meal (5)
- 2 Sway to and fro (5)
- 3 Animal characterised by the possession of antlers (4)
- 4 Animals or plants that live on a host (9)
- 5 Precious gem (5)
- 8 Commissioned naval officer (9)
- 9 Evolve from (6)
- 11 Game played in an enclosed court (6)
- 14 Emblem worn like a brooch (5)
- 16 Give instruction to (5)
- 17 Freed from illness or injury (5)
- 19 Crust-like surface of a healing wound (4)

LAST ISSUE'S SOLUTIONS

QUICK CROSSWORD

P	A	R	I	S	H	P	S
O	E	E	U	E	K	A	
N	E	A	R	R	E	I	
D	S	P	O	T	E	N	D
E	V	O	K	Z	T		
R	N	O	T	E	L	H	
G	C	N	O	L	I		
R	A	T	R	A	P	R	L
D	I	J	H	A	R	M	
K	I	D	E	D	E		
Z	I	S	I	S	L	E	

KAKURO



FORUM

EDITED BY RACHEL CUNLIFFE



Filled with HS2 fever? No? Then let's think up something better

HS2, THE unloved child of British infrastructure, looks like a goner. And while those into trains might spot that there is a review underway, there can be little doubt that this in itself sends a terminal signal to a project that once seemed to offer a glimpse of what a brave new British future might be able to offer.

Fast, modern rolling stock, speeding up journeys, and easing capacity are as important to our national self-esteem as TGV has historically been to France and bullet trains to Japan.

But history is the problem with trains – nineteenth and twentieth century emblems that these days offer iterative and incremental improvements, rather than the game-changing transformation that many had originally hoped for.

There is little doubt that Britain needs infrastructure projects to deliver renewal for its post-Brexit future. But HS2 is struggling to be the answer to that need.

Part of its struggle is that connectivity to London is not the draw it once was.

Ask pretty much any civic leader in our northern cities and they will tell you to look east to west rather than north to south if you want to deliver something truly meaningful. To create the agglomeration effect of well-connected local urban areas matters more than cutting travel time or expanding the commuter belt for the capital.

Saying that, new rolling stock also comes across as an anachronistic priority in a digital age. When the Prime Minister promised a full-fibre

nation, it seemed closer than trains to the economic diet required to build a country ready to address the transformational possibilities offered by technology.

The pace of change and adoption of new technologies will, in the coming years, be the making and breaking of nations. And those that establish themselves as global engines for future innovation will be those that have the most to gain.

The government of Singapore has been making huge technology investments, leading one economist to claim that it is "fixated on the knowledge economy and the skillsets needed to participate in it".

Against that backdrop, the value for money offered by HS2 – currently estimated to cost anything from £56bn to £86bn – is right to be questioned.

And it's more than a question of utility and value for money. While this is always the driving force for infrastructure investments, there is also another major consideration: what message does it send about us as a people, our ambitions and priorities, our hopes and dreams?

Unleashing "the white heat of technology" was the goal that politicians spoke about in the 1960s. And it was Concorde that came in its wake, with supersonic travel opening the gateway to a new age. Even the name Concorde evoked aspiration. Translating as "harmony" or "union", it showed collaborative British and French science at its best.

While Concorde was also the dream that ended, few can contest its enduring place in the national

Michael Hayman



We must ensure that the world's most expensive railway is not a cul-de-sac for the nation's cash

“

mythology and its role in creating a sense that post-War austerity was ending, and that a better future might emerge.

For those that instinctively recoil from Keynesian investment strategies, infrastructure projects are often dismissed as extravagant, wasteful pipe dreams. But that's not a point of view that carried sway with Victorian or Edwardian Britain. Well over a hundred years later, today's generations still benefit from the decisions and investments that they made back then.

And that should be the driving goal today: getting the right infrastructure investments rather than nothing at all. Something that is built to last, that will provide immense benefits for the future, and a signal that we are very much in business as a nation.

In a world debating a future driven by electric cars, autonomous vehicles and even flying cars, it is right to reflect on that goal, and ensure that, when delivering the world's most expensive railway, it is not a cul-de-sac for the nation's cash.

And our mission, should we choose to accept it, is not just about the future of the way we will move. The opportunities of a 100-year life span and innovating to meet the sustainable development goals all offer clues as to the winning economies of tomorrow, and where we might be well-positioned to place the best bets.

None of this is to underestimate the urgency of delivering against the challenges we face now. We do need a solution to the nation's decrepit and overcrowded transport infrastructure. But that doesn't mean that we shouldn't be questioning the value and values delivered by HS2.

And if it isn't the right project, despite all the money spent and disruption caused to date, learn the lesson of Spotify's engineering culture. Fail fast. Learn fast. Improve fast.

We got it right in 2012 and delivered the Olympic moment. We got it right with Concorde and delivered the Concorde moment.

If we cannot imagine future generations speaking as fondly of the HS2 moment, then the search for a new game-changing project must begin again – fast.

● Michael Hayman MBE is co-founder of Seven Hills and co-author of *Mission: How the Best in Business Break Through*.

LETTERS TO THE EDITOR

For art's sake

[Re: Letters, Friday 23 August]

Following GCSE results last week and the A-level successes we saw earlier this month, we're pleased to see stem subjects remaining a key focus for today's students and tomorrow's innovators, with five per cent more students taking the recently reformed double science GCSE compared to last year.

As a business, we're continuing to see a wide digital skills gap in the market. And as enterprises in the UK and across the world seek to navigate ambitious digital transformation projects, the need for digital fluency is not only desirable, but vital for the workforce of the future.

It's equally important, however, to recognise expertise in the arts, creativity, and digital humanities – particularly for technology-led businesses. Last week, the creator of the GCSE qualification lamented that reforms have squeezed out arts and creative subjects. But now is the time when businesses need these skills the most.

Earlier this year, we launched our newest global Experience Design & Innovation Studio in London, to cultivate local talent and enable our customers to innovate and experiment rapidly.

The space between technology and creativity is proving an increasingly desirable area of focus among our clients. As such, the UK education sector needs to demonstrate commitment towards developing a curriculum that cultivates both digital and creative skills alike.

Ajay Vij, senior vice president, Infosys



BEST OF TWITTER

Average of the 7 most recent polls from different companies

Con 32%
Lab 25%
Lib Dem 18%
Brexit 12%
Green 5%
@JohnRentoul

@JohnRentoul

Taylor Swift's "London Boy" is super nice, but the idea of doing Shoreditch in the afternoon, Brixton in the evening and then back to Highgate is giving me major London Underground anxiety
@dustlined

If Taylor Swift's London song wanted to be truly authentic, she'd moan about having to get from Brixton to Shoreditch and then say "sorry, City Mapper says it's going to take 79 minutes"
@jessicath

Taylor Swift's "London Boy" contains all the markers of the British bourgeoisie (rugby, Highgate, high tea), while "American Boy" by Estelle and Kanye West, with its references to Ribena and the New York Subway, is an anthem for the international working class. In this essay I...
@clareptrsn

The awful weather makes me feel bad for all the people on holidays here, but also reminds of working in the Cork tourist office, which some people thought of as a kind of general complaints department for Ireland. Like why are the roads so bad? Why is there graffiti on the sheep?
@eoinmauricedaly

He might not be a best friends with the press, but the Prime Minister is no Putin

IS BORIS Johnson the new Vladimir Putin? That's what Dorothy Byrne, head of news for Channel 4, suggested at the Edinburgh Festival last week. Byrne said that Boris Johnson was "a known liar", and accused him of aping not only Donald Trump, but the Russian President in his dealings with the press.

A head of news knows how to generate headlines, but is there any merit to Byrne's comparisons?

There's no denying that this Prime Minister has brought a new attitude to media relations. He is, of course, a former hack himself, and used his weekly Telegraph column to promote his own cause throughout his political career, especially during his leadership campaign.

Some of the claims he has made, we know, are inaccurate or misleading. But a platform to air ideas is not the same as the kind of propaganda we see in authoritarian regimes. And now that Boris is Prime Minister, the column is no more.

As for his relationship with the press, it is true that this has been less chummy than might have been expected. The Boris leadership campaign camp was virtually impenetrable to journalists. His handlers seemed to want to shut down any unsupervised or unpredictable opportunities, and they backed away from most of the televised debates.

At Westminster, this caused some disquiet. It smacked of arrogance. We're going to win anyway, they seemed to say, so why risk anything?

His team in Number 10 also seems to reflect this attitude. The director of communications, Lee Cain, was head of broadcast for Vote Leave, then an adviser to Boris at the Foreign Office. He is a former journalist himself; one paper employed him to dress as a chicken and follow David Cameron on the campaign trail.

He has been joined by Rob Oxley, another Vote Leave alumnus, as the Downing Street press secretary.

Cain and Oxley have moved in the media milieu for more than a

Eliot Wilson



decade. But they are, first and foremost, Boris loyalists. The sense is that they subscribe to the Project, and the Project is Boris.

This is how the Prime Minister's media operation is run. Like his leadership campaign, the Boris Downing Street is a fortress, waiting for the inevitable assault. You can see why journalists such as Byrne might be frustrated, even concerned, by their need for control and desire to seize and govern the news agenda.

But is this anything like how Trump and Putin operate?

Trump does deploy similar tactics, controlling the news agenda and surrounding himself with media-

savvy loyalists. But that's a very tenuous analogy – what leader does not try to build a team they can trust?

To compare Boris to Putin's authoritarian machine, meanwhile, is pure hyperbole. The British Prime Minister is not launching attacks on press freedom, using state broadcasters to disseminate propaganda, or attempting to censor critics.

Boris seems to want his hand on the news tiller more firmly than any Prime Minister since Tony Blair in his pomp. And I doubt that the new regime's relationship with the press will ever be harmonious.

But we are far from a situation where Downing Street is waging outright war on journalists. As John Major would tell you, taking up your lance against the media is unlikely to end well. So let's be a little careful about turning a news molehill into a control-freak mountain.

● Eliot Wilson is chief writer at Right Angles and a former House of Commons official.

WE WANT TO HEAR YOUR VIEWS ➤ E: theforum@cityam.com COMMENT AT: cityam.com/forum

 @cityam

Time to scrap our archaic and misguided Sunday trading laws

THE SUNDAY Trading Act 1994 came into force 25 years ago yesterday, allowing shops to open on Sundays, but restricting opening times of stores over 3,000 square feet to six consecutive hours between 10am and 6pm.

This compromise followed the defeat of the Shops Bill 1986 – Margaret Thatcher's only defeat in the House of Commons – which would have brought Sunday trading hours in England and Wales into line with Scotland, where shops can choose to open at any time of day.

The current rules were supposedly designed to protect small stores from the major supermarket chains. But the result has been somewhat different.

Towns are now awash with the smaller "Express", "Local" and "Little" stores, charging much more for the same goods that you could buy in a larger store, with some items twice the price.

The 1994 law also restricted the opening hours of garden centres for the first time, resulting in their closure on their busiest day of the year: Easter Sunday.

This is an embarrassment. During the 2012 London Olympics, the government was so abashed by the archaic Sunday trading laws that they were suspended for eight weeks. People were free to shop at a time of their choice – with no harmful side effects – and sales rose 3.2 per cent compared to the previous year.

Boris Johnson, who got the Sunday trading restrictions suspended back then as mayor of London, should now as Prime Minister remove them for good.

Mark Allatt



It is madness that you can take delivery of your online shopping at 9am on a Sunday but you cannot visit a store at the same time to buy the same items. With as many as 12,000 shops closing every year, allowing retailers to open longer on Sundays could be the shot in the arm that our beleaguered high streets need.

Sunday trading laws do not preserve any valuable cultural aspects of our way of life. On the contrary, they make it harder to serve a traditional roast lunch at home with fresh produce and fit in time to get to church.

Moreover, the Sunday economy gives those who cannot work on weekdays the chance to earn some money – from students looking to re-

For Boris to succeed where the Iron Lady failed would surely demonstrate that modern post-Brexit Britain is open for business

“

duce their debts to those who care for family members.

And far from interfering with family life, this can actually be sustained by Sunday shopping, getting children out of the house to participate in an enjoyable family experience, which may result in a meal out or a trip to the cinema.

When the Cameron government tried to liberalise Sunday trading in 2015, it was thwarted by the SNP, which denied shoppers in England and Wales the freedoms that those in Scotland already enjoy.

Scotland currently has a competitive advantage, but if we are to compete for the tourist dollars of overseas visitors, then the whole of post-Brexit Britain had better be open for business.

Currently, we are lagging behind. Even in over-regulated France, shops in designated tourist zones in Paris have been allowed to open on Sundays since 2009.

Of course, people need a day off, but that doesn't necessarily have to be a Sunday. Nor will all shops choose to open at all hours of the day, even if the law allows them to. It is a matter of choice for shopkeepers, as it should be for individuals as to when they want to do their shopping.

The trial has been done on Boris' watch before, and we know that giving people these choices does no harm. For Boris to succeed where the Iron Lady failed would surely demonstrate that modern post-Brexit Britain is open for business.

Mark Allatt is director of Open Sundays, a campaign group calling for the liberalisation of Sunday trading laws (www.opensundays.org).

DEBATE

Should we learn from the 'Scandinavia summer' model and take the month of August off?

YES



MATHIAS MIKKELSEN

For anyone visiting Oslo at this time of year, they might find it strangely quiet. Despite the sunshine bringing our maritime city to life, the streets are empty.

The reason? The Scandinavian summer holiday: a mass exodus of employees for a month-long break.

This break might seem indulgent to the rest of the working world. But it's actually good for business; the perfect example of hours worked not equating to productivity.

According to Gallup, 63 per cent of employees experience professional "burnout". A month of holiday helps prevent this, boosting engagement and encouraging staff to develop and explore new ideas. The fact that this is

NO



ANNABEL DENHAM

normally done next to a fjord while drinking akvavit is a happy bonus.

When our team come back in September, they are fully prepared for the end-of-year sprint. Though Oslo may be quiet at this time of year, be prepared for lots of professional noise from Scandinavian companies in October, November, and December.

Mathias Mikkelsen is chief executive of productivity startup Memory.

It is absurd to think that we should adopt feriesse – as the Norwegians call their indulgent summer break. One study has suggested that the French equivalent cuts the country's industrial production by a third. Britain is already fretting about empty supermarket shelves post a no-deal Brexit; until 2015 France mandated that some boulangeries must open in August to ensure that people would have bread.

The idea that summer is for play, not work, has origins in old manufacturing sectors where everyone downing tools at once seemed logical. Not so in 2019 – especially given that many markets don't slow down in the summer.

And what of individualism? Already workers in the Netherlands are calling

for more flexible leave policies – not everyone wants to go on holiday at a time when prices are highest. It's why the number of fines issued to parents in England for taking children on holiday in term-time has doubled in recent years.

I'm sorry to be more humbug than hygge, but a mass workplace exodus in a globalised economy? C'est fou.

Annabel Denham is communications director at The Entrepreneurs Network.

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ENTREPRENEURS

Luke Graham
talks to the man helping Sweden's startups achieve global success

If you were asked where the most tech innovation comes from, you'd probably answer Silicon Valley – the home of Google, Amazon and Facebook. And you'd be right.

But what you might not know is that Stockholm is a close second. The Swedish capital produces more billion-dollar companies per capita than any other region in the world after San Francisco. Companies like Spotify, Skype and fintech commerce firm Izettle all originated in Sweden.

Someone who is certainly aware of his country's growing reputation as an innovation hub is Par Hedberg, "the godfather of Swedish tech".

Hedberg is the founder and chief executive of Sting, a Scandinavian tech incubator that has helped nearly 300 startups in Sweden since its inception in 2002, creating 2,639 jobs in the process. Companies backed by Sting collectively generated over £219m in revenue in 2018. As a further sign of success, eight of its alumni companies are now publicly listed on the Swedish stock market.

"We're nurturing the whole system in Stockholm," Hedberg tells me.

"Some of our startups are scaling very nicely here in London, in Silicon Valley, and elsewhere – we have attracted £419m in private capital to these companies."

Hedberg, a former national freestyle skiing champion, spent most of his career working as a chief executive at several big tech business, but by the late 90s he wanted a new challenge.

"The last mission was a turnaround project for a company, and after that I was totally exhausted, and fed-up working for large firms. In 1999, I decided that now I've done my 'military service', so I wanted to work with new startups," he recalls.

"I did that for a couple of years with a colleague of mine, and invested some small sums in a couple of laser technology companies. And then I got the possibility to start Sting."

Sting backs startups across a wide range of tech sectors, from artificial intelligence and healthcare to sustainability and digital media.

But it is nonetheless selective: about 400 startups applied for its programmes last year, but less than 10 per cent were accepted. Those which are successful receive business development coaching, plus help with finance and recruitment.

So what is Hedberg actually looking for in a startup?

"The first thing is: do they address a problem or a need that seems to be big in the world? Because if it's not that big, it can never be a big company," he explains.

"The second one is: the people who say they are going to do this, do they have the qualifications, characteristics, and motivation to do it?"

"And number three is: does their solution to that problem seem to be innovative? Have they come up with something



that is really smart, that nobody else could come up with in a week?"

Hedberg is keen to work with startups that can become big and expand internationally. As he points out, Sweden's domestic market is relatively small – the country's population is just 10m people (for comparison, London's population is estimated at 8.8m). Such a small domestic market can be a major challenge for a startup.

"We need entrepreneurs to go abroad from day one. We need to find markets that are much larger than Sweden's, and that's also a challenge because then you're not in your own country. In the UK, you have a large domestic market; if you're in Germany, you have an even larger market," he laments.

"Sometimes our companies might have a fantastic solution and are addressing a really interesting problem, but there are usually 10 competitors elsewhere in the world."

However, when firms overcome these challenges, the results are impressive. Notable Sting alumni include: Karma, the app which aims to prevent food waste by helping restaurants sell surplus meals; Midsummer, a publicly listed company that produces flexible solar



Top: members of the incubator at a demo day. Above and right: Karma and Yubico are both Sting alumni

power cells; and Yubico, a cyber security company that has attracted over \$30m in investment.

"Yubico is fantastic," Hedberg adds. "This company is like a bumble bee: it shouldn't fly. It has a female founder who was an artist, with her hacker husband. But it's growing very nicely and it's doing really good."

But Hedberg isn't only concerned with how individual companies are doing. He's keenly aware of how the success of Sting and its partners will help support Sweden's welfare system, which is well-known for being both generous and worryingly expen-



sive: the country has the second highest tax burden in the world after Denmark, and many economic studies warn about the unsustainable cost of its welfare programmes.

"We're in the business of creating new wealth for the country. If these companies grow, they replace the big ones that are not growing any longer, and we can continue to have the welfare situation that we have in Sweden."

"New companies like Spotify, Klarna, Izettle, they employ many more new people than (Swedish telecoms giant) Ericsson is doing. We need these new businesses to build

the tax base, and then we can continue to have the welfare."

It's refreshing to hear a business leader talking about the wider benefits that a company can bring to society, rather than just how much money it has made for shareholders.

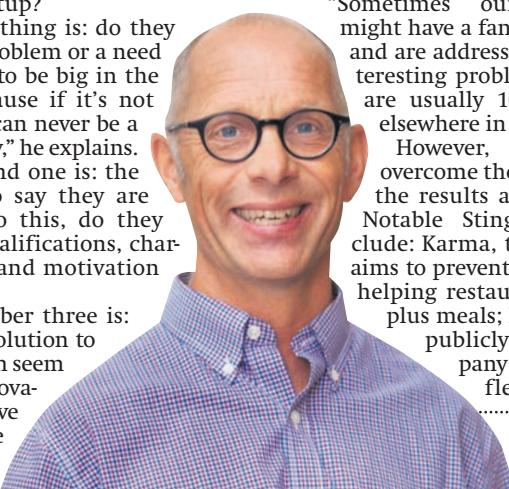
Looking ahead, Hedberg hopes to get more involved with startups working on complex technology projects – the kind that require lots of labour and capital to produce a prototype – rather than relatively simple digital ones.

"We'll probably work slightly more with the sort of really complicated deep-tech things. We did that more when we started, and then over the last five or six years we've moved more and more into the digital. We'll continue with that, but I would like to work a little bit more with startups that are addressing important, big problems, not a new app," he says.

"We're also working on changing the gender balance. We have done a lot on that in recent years. Last year, we took on 33 new companies, and 42 per cent of them had a female founder – which is, I think, a European record."

Newspapers often speculate about where the "next Silicon Valley" will appear and dethrone the one in the US. Some say it will be London's Silicon Roundabout; others tip Berlin, Paris, or Tel Aviv.

But with people like Par Hedberg trying to help companies that are addressing the world's problems, my money's on Stockholm.



Par Hedberg
founded Sting
in 2002

British No1 Kyle Edmund is out to put stuttering spell behind him, writes **Michael Searles**

AS ANDY Murray's hip injury has taken him to the brink of retirement during the last two years, the weight of being Britain's best male singles player has come to rest on Kyle Edmund.

Edmund, who begins his US Open campaign against Spain's Pablo Andujar today, has been the national No1 since March 2018 but has yet to scale anything like the heights of his predecessor, with whom he helped Great Britain claim the Davis Cup in 2015.

The 24-year-old's ascent followed a great run to the Australian Open semi-final in 2018. At the same time Murray was being forced to pull out of the tournament before it began, unable to recover from the hip injury that had plagued him since 2017.

That fortnight also saw Edmund break into the world's top 30 for the first time, and later in the year he would flirt with the top 10, reaching a career high of No14 as he claimed his first ATP Tour title in Antwerp.

However, he has since flattered to deceive, failing to progress beyond the third round at subsequent Grand Slams, reaching only the second round twice in the last year.

He remains the world No31, but his position as the best in Britain has become increasingly threatened by the resurgence of Dan Evans, who is back with a vengeance following his 12-month drugs ban.

A disappointing 2019 for Edmund has in part been down to his own niggling injury issues which have particularly held him back this year.

He was forced to withdraw from the Sydney International in January due to a knee injury, which had initially been sustained in Paris last November.

The Yorkshireman would enter the Australian Open with just one match – a defeat to No180 Yasutaka Uchiyama – under his belt since the turn of the year, and lose his opening round tie with Tomas Berdych in straight sets.

NOTABLE SCALPS

But his injury problems did not end there. A recurrence of the knee issue saw Edmund retire from the French Open in the second round with him



REBORN IN THE USA?

“

Flushing Meadows may have come at the right time for Edmund, having fared better on hard courts

two sets down to Pablo Cuevas, before a month later he would throw away a two-set lead in the Wimbledon second round against Fernando Verdasco.

He refused to blame injury for that five-set defeat, insisting it was his fitness that needed work, although he did have both his trainer and doctor enter the court to look at his finger before also receiving treatment for his back and knee.

After taking a month off, Edmund returned to action in Washington at the start of August and he has taken notable scalps in Jo-Wilfried Tsonga and Nick Kyrgios since his return.

However successive defeats to now world No5 Daniil Medvedev on his last two outings are a sign he is yet to get back to a level where he can mix it with those in and around the top 10.

A return to Flushing Meadows may have come at the right time for Edmund, having always fared better on hard courts. The Briton's best runs at Grand Slams and solitary ATP title have all come on the faster surface, which suit Edmund's offensive style.

The court plays into his strengths of hitting powerful forehands and serves, as well as working from the baseline and taking the initiative in rallies.

However, it is also perhaps why he struggles when coming up against the higher calibre opposition and he is put on the back foot. He has claimed just two wins when facing top 10-ranked players.

The US Open offers Edmund the chance to salvage his season, and going into the tournament seeded 30th, he will hope to at least match his previous best of reaching the fourth round. If injury issues are resurrected, however, then Edmund may have to consider following Murray's lead by taking time to rehabilitate himself properly ahead of next year.

Role of Toro Rosso in the spotlight as Red Bull roll dice again

Sister team looks like reserves rather than the nursery it was billed as, says **Michael Searles**

WHEN energy drinks tycoon Dietrich Mateschitz acquired the Toro Rosso team in 2005 it was with the purpose of nurturing young drivers, bedding them into Formula One and preparing them for a promotion to his Red Bull Racing outfit.

For the remainder of this season, the intended junior team looks more of a reserve team – a place where drivers deemed to have not made the grade are sent, reputation in tatters – such is the revolving-door policy Red Bull

have adopted under head of driver development Helmut Marko.

The latest casualty is Pierre Gasly, who has been demoted to Toro Rosso effective from this week's race at Spa, Belgium, where he will join fellow former Red Bull driver Daniil Kvyat, despite team principal Christian Horner insisting his seat was safe.

In his place London-born Alex Albon, who races under the Thai flag, will step up and partner Max Verstappen in a nine-race trial to assess his suitability for taking on the role full-time.

The decision to drop Gasly comes as little surprise given the disappointing impact he has had since graduating to Red Bull, with Marko telling Auto Bild it was because "he loses places and doesn't like to overtake".

The Frenchman has just 63 points and no podium finishes in 38 F1 outings – not a record Red Bull need as they battle with Ferrari for second

place in the constructors' championship.

URGENCY

More surprising was the decision to promote Albon during his debut campaign, particularly given he sits seven places and 11 points behind Kvyat.

Clearly Marko has not forgotten the Russian's equally sub-par outings for Red Bull in 2015-16, for which he was replaced by Verstappen.

The Dutchman has since laid bare his credentials as a future world champion, winning two of the last four races. But despite his clear abundance of talent, Red Bull appear impatient to

find someone equally capable by accelerating young drivers to the senior team with an urgency seemingly at odds with the nurturing platform.

Toro Rosso was supposed to deliver.

Kvyat was afforded just 19 races, winning eight championship points, before being pro-

.....
London-born Alex Albon makes his Red Bull bow this week

.....
moted to Red Bull in 2015 at 20.

Just over a year later he would be replaced by Verstappen, who himself had completed only 23 races but racked up an impressive 63 points in the sister car before winning on his Red Bull debut. He has consistently de-

livered since, ousting as the lead driver Daniel Ricciardo, who was subsequently replaced by Gasly for this season.

The 23-year-old raced just 26 times for Toro Rosso before his promotion, and has now been replaced by Albon, 23, who has only made 12 F1 starts.

If he too fails to live up to the almost insurmountable expectations for immediate results being placed on young Red Bull drivers, then the team will have a difficult decision to make about where they turn next.

There is a chance he can suitably aid Verstappen as a No2 driver, while Kvyat remains an option and could return to the team four years after his departure.

Failing that, Red Bull may have to look externally for a solution, bringing into question the purpose of their driver development programme and how the Toro Rosso team is utilised.



SPORT

HERE WE GO Britain's Konta clears first hurdle at US Open with three-set win



BRITISH No1 Johanna Konta overcame a second-set wobble to beat Russia's Daria Kasatkina 6-1, 4-6, 6-2 and reach the second round of the US Open yesterday. Konta did not drop a point on her serve as she breezed to the opening set but lost her cool when a number of calls were overruled in Kasatkina's favour. The French Open semi-finalist traded breaks in the third before going 4-1 up and clinching the match when her opponent served consecutive double faults. Elsewhere on the opening day of the Grand Slam at Flushing Meadows, the only other British woman in the singles draw, Harriet Dart, lost 6-3, 6-1 to Romania's Ana Bogdan.

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WHAT NEXT FOR RED BULL?

Hire and fire culture puts role of Toro Rosso in spotlight **PAGE 23**

SPORT DIGEST

RECORD NUMBERS WATCH ENGLAND ASHES MIRACLE

England's Ashes heroics at Headingley on Sunday attracted a record audience for Sky's live coverage of a Test match. A peak of 2.1m UK viewers watched the climax to the third Test, in which Ben Stokes conjured one of the all-time great batting displays as England chased down 359 to level the series with Australia at 1-1. The viewing figures are short of the 3.5m who tuned into Sky for England's World Cup final victory last month, which drew a combined audience of 8.7m due to the subscription broadcaster sharing its coverage with Channel 4. Channel 5 said more than 2m watched its highlights of Sunday's action.

BOLTON FACE THREAT OF LIQUIDATION THIS WEEK

Bolton will begin liquidation on Wednesday unless a deal to save the third tier football club can be struck by 5pm today, say administrators. A proposed takeover collapsed on Saturday, leaving the 145-year-old team facing near-certain expulsion from the English Football League. Joint administrator Paul Appleton said: "Unless there is a change of position from any of the parties involved, the process of closing down the club and ultimately placing Bolton Wanderers into liquidation will begin this week."

IRELAND'S BENNETT AND ROCHE ON TOP IN SPAIN

Irish cyclists enjoyed unprecedented success at the Vuelta a Espana yesterday when Sam Bennett won stage three and Nicolas Roche retained the overall leader's red jersey. Bennett, of the Bora-hansgrohe team, beat Edward Theuns and Luka Mezgec in a sprint finish in Alicante to record his fourth Grand Tour stage win and first at the Vuelta. Team Sunweb's Roche remains two seconds ahead of 2016 winner Nairo Quintana of Movistar in the general classification.

RORY ISSUES A REMINDER

GOLF COMMENT



Sam Torrance

HEADING into the FedEx Cup Playoffs it looked like being a battle between Brooks Koepka and Rory McIlroy for the \$15m prize – and so it proved, with those two in the final group at the Tour Championship on Sunday.

McIlroy scooped golf's biggest winners' cheque with a sublime round of 66 to cap a magnificent performance all week at East Lake.

His driving was beyond belief and this time he putted well too. It was a proper display.

At one point things looked a little sticky, when he made consecutive bogeys at 14 and 15, but he made a very

good par at the next hole to stay two ahead of Xander Schauffele, by then his nearest challenger.

So the American season draws to a close with a big win for European golf, a second FedEx Cup triumph of his career for McIlroy and yet another feather in the four-time Major winner's cap.

What I think he will take particular satisfaction from, though, is how well he performed against the world No1. Rory totally outplayed Koepka and reminded him and everyone else in golf just what he is all about.

EVERYTHING BUT A MAJOR

Of course, this was not a Major and McIlroy won't need reminding that he has now gone five years without adding to his tally, but so far this year he has done everything but.

He has won three times, including The Players Championship – the unofficial fifth Major – and the Tour Championship.

Rory has also finished in the top 10 at 12 out of the 14 non-Major events



McIlroy won the \$15m FedEx Cup on Sunday

he has contested on the PGA Tour.

Missing the cut at The Open at Royal Portrush was a setback but he brushed it off; he is too good to worry about things like that.

Yes, he would have loved to have been Shane Lowry lifting the Claret Jug but for once Rory wasn't the main attraction in Northern Ireland.

Still only 30, McIlroy is young enough to reach double figures for Major titles. It is a case of breaking the ice again.

Over the last few days he has shown everyone what he can do against the very best in the world and that is what he will take from this victory. I'm sure he will be thinking about next year's Masters already.

Schauffele played well to take outright second in Atlanta, while England's Paul Casey had a good week, finishing fifth.

It was the Rory McIlroy show, however. The much-discussed new format for the tournament was very easy to slip into and even the weather delays which meant players couldn't finish

their third rounds on Saturday posed no problem for him.

Sometimes it can be tedious waiting to tee off in the afternoon, so playing a few holes in the morning can actually be quite nice.

BREAKING THROUGH IN STYLE

He is one of several talented South African players who have been threatening to burst through for a while, so it was huge for Erik van Rooyen to clinch his first European Tour title on Sunday.

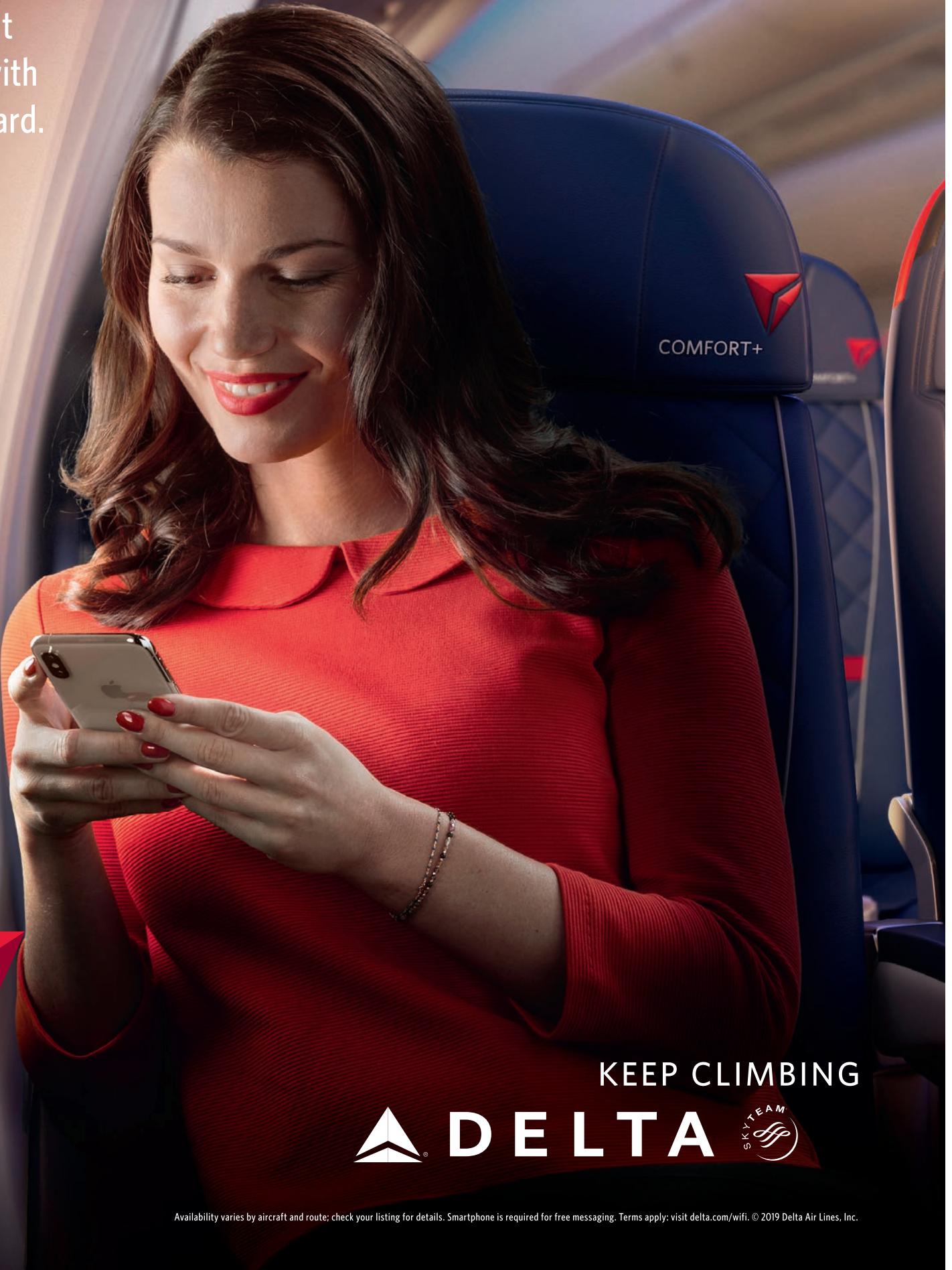
Van Rooyen, 29, did it in style with a birdie at the last to win the Scandinavian Invitation by one shot from Matt Fitzpatrick.

Fitzpatrick pushed him all the way and couldn't have done much more. The Englishman is desperate to extend his record of winning every season into a fifth year and there is plenty of time for him to still do that.

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

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