Extinction Rebellion protesters seek to shut down City Airport for three days

SEBASTIAN MCCARTHY
@SebMcCarthy

FEARS of travel chaos at London City Airport are looming large this morning as climate change protesters gear up to blockade the terminal and disrupt flights. Extinction Rebellion has vowed to cause a “Hong Kong-style” occupation at City Airport over the coming days in an attempt to grind London’s business terminal to a halt.

As part of a two-week long “shutdown” in the capital, the eco-activists are turning their attention to the Royal Docks airport for what they claim will be their “biggest action yet”.

City Airport is bracing itself for possible flight delays and terminal disruption amid fears that the demonstrators will aim to block departure and arrival gates.

Airport bosses are working with the Metropolitan Police to try to identify protesters that have bought one-way plane tickets as a way of sneaking in as passengers. Green campaigners have taken aim at City Airport after claiming it is used “disproportionately by private jets and by financiers, businesspeople and other members of the polluter elite,” despite passengers being split 50/50 between leisure and business last year.

The airport has also come under fire from the activists in the wake of a recent expansion and its master-plan to grow over the next 15 years.

Airport bosses are working with the Metropolitan Police to prepare for the threat of Extinction Rebellion protests. Our shared concern is the safe operation of the airport and to minimise disruption for passengers using the airport over the coming days,” a City Airport spokesperson said.

Hundreds of demonstrators have so far been arrested as part of the fortnight of protests, during which major bridges and tourist locations have been blocked.
BT house party with EE hides coming hangover

F THERE is a crisis on the British high street, no one told Philip Jansen. The BT boss has announced that his company will return to bricks-and-mortar, shaking up with mobile subsidiary EE. The shops are part of a wider transformation plan at the telecoms stalwart. Since taking over as chief executive in February, Jansen has desperately tried to salvage the firm’s sliding share price. The process will be brutal. At least 13,000 jobs could be lost in the coming years, while the company will also close 90 per cent of its offices. Meanwhile, Jansen must keep shareholders happy. When the former Worldpay boss swept in after the turbulent tenure of Gavin Patterson, it was clear BT needed a brand revamp and the group’s new high street stores will be key to keeping the firm relevant to the public. For Paolo Pescatore, telecoms analyst at PP Foresight, Jansen’s efforts to slim down the company are a crucial step in the right direction in a cut-throat market. But the current strategy might not be bold enough. While BT has made moves to streamline its services, a more structural shake-up may be necessary to simplify the business. The crux of the company’s turnaround — and therefore Jansen’s success — will lie in the less glamorous world of full-fibre broadband. The national champion is investing for the future and, for the short term at least, it’s shareholder returns that could suffer. Prime Minister Boris Johnson has vowed to roll out superfast connections across the country by 2025. It’s a bold claim, and it rests on Jansen as head of the country’s largest broadband provider to work out the details. This presents the new BT boss with an opportunity, but also plenty of risks. The path to full-fibre is littered with potholes. BT has made no bones about its concerns over regulation, and the chief executive has handed a six-point plan to Number 10. Moreover, the telecoms giant faces a huge threat from a potential tie-up between rivals Virgin Media and Sky. Even if Jansen can steer his way through the challenges of full-fibre, he must still find a way to fund it. The company’s dividend is steady for now, but it seems unlikely the shareholder payout will make it through unscathed.

It seems unlikely the shareholder payout will make it through unscathed.

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Investors green light British pub chain takeover

SHARERS have given the green light to the £2.7bn acquisition of British pub chain Greene King by Hong Kong’s richest man.

At an extraordinary general meeting yesterday, 99.38 per cent of CK Asset Holdings (CKA) shareholders voted to back the deal, with just 0.61 per cent opposing the takeover.

The resolution also passed at a meeting of Greene King shareholders, with 98.83 per cent of investors backing the proposals.

Greene King chairman Philip Yea said: “The board welcomes shareholders’ approval of CKA’s offer to acquire Greene King.

“As previously set out we believe CKA’s long-term vision for Greene King, supported by our established position in the pub industry, high-quality estate and resilient financial profile, is in the best interests of investors.”

The deal values Greene King, Britain’s largest pub retailer and brewer, at £4.6bn including net debt, making it the second-biggest UK-in-bound deal of the year.

In June, Blackstone and the Canada Pension Plan Investment Board made a £6bn move for Alton Towers owner Merlin Entertainments.

CKA was founded by 91-year-old Hong Kong tycoon Li Ka-shing and is run by his eldest son, Victor Li Tzar-kuoi. Li announced plans to retire last year, but remains a senior adviser at CKA.

Greene King operates 2,900 pubs, restaurants and hotels across the UK, meaning that the £2.7bn deal equates to just under £1m per site.
**Ex-Barclays bankers accused over ‘smoke-screen’ to hide Qatari fees**

**JAMES BOOTH**

THREE senior ex-Barclays bankers on trial for fraud were accused yesterday of creating a “smoke-screen” to try to justify millions of pounds surreptitiously paid to Qatar in exchange for a multi-billion-pound deal. Roger Jenkins, Richard Boath and Thomas Kalaris are standing trial at the Old Bailey, accused of conspiracy to commit fraud by false representation and fraud by false representation — charges they deny. Edward Brown QC, prosecuting for the Serious Fraud Office (SFO), said the trio attempted to give reasons for millions of pounds being paid to Qatar in two advisory services agreements, which the SFO alleges were vehicles to disguise extra fees paid to Qatar in return for investment.

“It is clear that there were some ‘after the event’ attempts to demonstrate that the services had been provided,” he said. But these “were nothing more than a smoke-screen to seek to legitimise what had gone before,” he said. The second advisory services agreement committed Barclays to paying Qatar £280m over five years. The trial — which is expected to last at least five months — continues.

**UK-BASED insurance startup Cuvva has appointed Lloyd’s of London chairman Bruce Carnegie-Brown to chair its board. The new appointment at Cuvva, a City A.M. 2017 award winner, forms part of a series of strategic hires at the group.**

**ALEX DANIEL**

THOUSANDS of former Thomas Cook employees were offered a lifeline yesterday, as the collapsed travel giant’s retail estate was sold to Hays Travel. The agreement will see the independent travel agent pick up 555 former Thomas Cook stores around the UK. The deal could offer a new job for up to 2,500 former retail employees.

Thomas Cook’s entire retail network will reopen immediately, Hays said, and 100 extra jobs will be created at the buyer’s Sunderland headquarters. Following the appointment of the Official Receiver last month, Hays Travel has already taken on board 421 former Thomas Cook employees. The agreement will see the independent travel agent pick up 555 former Thomas Cook stores around the UK. The deal could offer a new job for up to 2,500 former retail employees.

Hays owns 190 shops around the UK already, and was one of the companies that immediately responded to the Civil Aviation Authority’s request to support thousands of customers on holiday or with holidays booked when Thomas Cook went under. It said giving jobs to the 2,500 former Thomas Cook workers would more than double its workforce.

David Chapman, the government’s Official Receiver, said: “This represents an important step in the liquidation process, as we seek to realise the company’s assets.” KPMG partner Jim Tucker, who was working on the sale, described it as “an extremely positive outcome.”

Because Hays Travel is independent, it uses other tour operators such as Jet2 Holidays and Tui to sell holidays to its customers. Managing director John Hays yesterday told reporters: “We’ve got no plans to close any [shops]. Our plans are to trade them all.”

The collapse of the 178-year-old holiday giant sent shockwaves through the retail and travel industry, and most of the firm’s 9,000 UK workers were made redundant. It also left about 150,000 Brits stranded abroad, prompting the biggest peacetime repatriation of UK citizens in history by the Civil Aviation Authority.

The operation concluded on Monday when the final passengers flew home.

**2,500 Thomas Cook employees kept on in deal**

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**BOTTOM LINE**

this looks like a savvy deal ... you have to wonder what Hays’ plan is and how they can make it a success. Has the travel firm been gung-ho in trying to secure a cheap deal without assessing the viability of taking on these stores?

John and Irene Hays were defiant, telling reporters there has been “a huge resurgence in package holidays in recent years” across all of their metrics. Figures from travel group Aota appear to back this up, with the number of people booking them rising 15 per cent in the last five years.

But with the disastrous collapse of Thomas Cook having dealt a serious blow to the image of travel agents in recent weeks, Hays may need that trend to continue if they are to vindicate their big move.

**ALEX DANIEL**
Disruption could weaken sterling and UK equities

SEBASTIAN MCCARTHY
@SebMcCarthy

UK EQUITIES and sterling could both suffer a double-digit hit to their value from a disruptive no-deal Brexit, according to a new financial stress test.

In the event of a disorderly departure from the European Union, UK equity markets and the pound relative to the dollar could weaken by 15 per cent and 10 per cent respectively.

The findings, published in MSCI’s new Brexit stress test, also predicted that corporate bond markets could be hurt by any disruptions.

“In short, equity markets would drop, with the UK bearing the largest impact. Sovereign yields would decrease in the UK and Europe, while corporate spreads would widen. Both the pound and euro would lose value relative to the dollar,” MSCI said.

Depending on whether a deal is reached, the impact on the UK equity market may range from minus 15 per cent to plus 10 per cent, while the pound may lose 10 per cent or gain eight per cent against the US dollar.

Prime Minister Boris Johnson has vowed to take Britain out of the EU with or without a deal by the end of October.

The pound is now 17 per cent cheaper than prior to the 2016 referendum, when Britain voted to leave the EU.

Both UK and European equity markets have underperformed global markets during the last three years, according to MSCI.

The figures come a day after the new boss of the International Monetary Fund (IMF) delivered a dramatic assessment of global growth prospects.

Kristalina Georgieva declared that “the global economy is now in a synchronised slowdown” following a turbulent year which included trade conflicts, Brexit uncertainty and mass protests in Hong Kong.

BT plots return to high street in bid to shake up its brand image

JAMES WARRINGTON
@j_a_warrington

BT is set to return to the UK high street as part of a raft of reforms aimed at pushing its so-called national champion image.

The telecoms giant has said it will overhaul its 615 EE stores and relaunch them as co-branded shops.

Chief executive Philip Jansen said the company was “swimming against the tide”, adding that the move could have long-term benefits.

The firm will pump £350m into initiatives such as a new combined mobile and broadband plan.

BT’s share price rose one per cent yesterday on news of the company’s plans to shake up its image.

Small business cannot live off ‘kind promises’

ANNA MENIN
@annamenin

THE FEDERATION of Small Businesses (FSB) has said small businesses cannot “live off kind promises for the future” after the UK leaves the EU.

The FSB’s comments came after the first meeting of a new finance council designed to support small and medium-sized enterprises (SMEs) secure lending post-Brexit.

The finance council — made up of representatives from banks, other finance providers, government, and business — was created following criticism that SMEs were not being offered enough support in the run up to Brexit.

At its first meeting yesterday, banks and other lenders agreed to five pledges outlining how they will support SMEs, including “confirming they are ‘open for business and ready to lend’”.

Other pledges include “helping SMEs to prepare for Brexit and beyond by setting out the resources that they can provide”.

It has not yet been announced which lenders have signed the charter.

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* Autumn Sale excludes clearance, non Sofa Workshop fabrics, parts and optional fabric/leather protection. Sofa shown is Eden medium sofa in Dusky Airforce Blue.

Guaranteed Christmas delivery subject to fabric availability at time of ordering. Delivery charges apply and vary subject to access/destination. Extra savings end 14.10.19.

BIG CHEESE Flora owner in talks to buy fast-growing plant-based food firm Violife

VEGAN cheese maker Violife Foods could be snapped up by the owner of Flora and I Can’t Believe It’s Not Butter, according to Sky News. The broadcaster reported that the former Unilever spreads business is in advanced talks to buy the group.

1.04%

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1.04%
BUSINESSES THAT RECEIVE PERSONAL DATA

Take steps now to keep receiving data legally from the EU

Find out how you can legally continue to receive personal data such as names, addresses or payroll details from organisations in the EU or EEA after 31 October. You may need to update your contracts.

Follow the step-by-step guide at [gov.uk/brexit](http://gov.uk/brexit)

Get ready for Brexit
GVC, THE owner of Ladbrokes Coral, upgraded its full-year earnings guidance as the gambling giant reported an increase in over-the-counter trading following a government crackdown on betting machines.
The company yesterday increased its full-year guidance range to between £670m and £680m, from a previous estimate of £650m to £670m.
Retail revenue fell 18 per cent in the third quarter, which was ahead of initial guidance, following the cut in fixed odds betting machines’ maximum stakes to £2. The introduction of the new rules saw net machine revenue fall 36 per cent.
However, over-the-counter betting revenue was seven per cent ahead of 2018, as customers adapted to the new regulations.
Online net gaming revenue from 1 July to 30 September was also up 12 per cent compared to last year, the company said in a trading update yesterday morning.

Chief executive Kenneth Alexander said: “I am delighted that the group’s financial performance has allowed us to upgrade our full-year [earnings] expectations again.
“Online momentum remains strong across all major territories, with net gaming revenue up 12 per cent in the quarter despite the prior period containing part of the World Cup.
“This performance continues to be driven by our industry-leading technology, products, brands, marketing capability, and people.”
Shares in GVC rose more than four per cent on the news yesterday.

OUT OF LIP-SYNC US senator Rubio calls for review into Tiktok-Musically merger

US SENATOR Marco Rubio yesterday asked officials to review Tiktok’s acquisition of Musical.ly. Rubio said Chinese-owned apps “are being used to censor content and silence open discussion on topics deemed sensitive by the Chinese government.”

‘They don’t have a clue’: Trump lambasts the Federal Reserve

The attack is the latest in a long line aimed at the Fed for not cutting interest rates fast or deep enough.
The central bank cut its rate last month by 25 basis points to a target range of 1.75 and two per cent.
It was the second cut of the year after the Fed dropped the target range to between two and 2.25 per cent in July.
Trump responded to the October announcement by calling Fed chairman Jerome Powell a “bonehead” and saying the target rate should be zero or sub-zero.

The government has pledged to leave the EU on 31 October, with or without a deal.
Rics chief economist Simon Rubinsohn said: “There are good reasons for thinking the latest dip in both buyer enquiries and vendor instructions is a knee-jerk response to the endless wrangling about Brexit, as the 31 October deadline approaches... However, unless there is a speedy resolution to the ongoing impasse it does seem inevitable that the stand-off between purchasers and sellers will deepen making it harder to complete transactions.”
British financial system braced for worst Brexit

ANNA MENIN

BRITAIN’s banks and financial system are prepared for a “worst-case disorderly Brexit”, the Bank of England (BoE) said yesterday, although it warned there could still be disruption, particularly for borrowers from the European Union.

Extensive preparations by UK authorities and businesses have mitigated “most risks to UK financial stability that could arise from disruption to cross-border financial services in a no-deal Brexit,” the Bank’s Financial Policy Committee (FPC) said in a statement.

The FPC said that although the UK had taken action to address the biggest risk of disruption for its citizens, there could still be disruption for people in the EU following a no-deal Brexit.

“The disruption would primarily affect EU households and businesses, but it could amplify volatility or spill back to the UK in ways that cannot be fully anticipated or mitigated,” it added.

The statement also warned the UK could face “significant further asset price volatility” in the event of a no-deal Brexit.

“In a disorderly Brexit, demand for UK households and businesses through adjustments in equity prices and corporate and bank funding costs,” it said.

BoE governor Mark Carney told the Treasury Select Committee last month that a worst-case Brexit would have a less severe effect on the economy than previously thought thanks to preparations by business and government.

The FPC noted the BoE’s March report, which identified potential risks to UK financial stability from disorderly Brexit in the event of no-deal to 5.5 per cent.

The BoE dropped its previous expectation of an eight per cent loss in GDP and government.

The statement warned there could still be disruption of an eight per cent loss in GDP and government.

However, the London Assembly said Number 10 marked the letter as “not for publication”. A spokesperson said the Assembly was “frustrated and not happy”, and sought advice over whether to publish the paper.

Assembly seeks advice on PM’s response to corruption claims

STEFAN BOSCIA

THE LONDON Assembly is seeking legal advice on whether it can publish Boris Johnson’s response to corruption allegations.

A Number 10 representative delivered a submission on behalf of the PM on Tuesday in response to an alleged conflict of interest in his dealings with US businesswoman Jennifer Arcuri while mayor of London.

However, the London Assembly said Number 10 marked the letter as “not for publication”. A spokesperson said the Assembly was “frustrated and not happy”, and sought advice over whether to publish the paper.

Banks forced to apologise over Leave.EU tweet

JAMES BOOTH

LEAVE.EU founder Arron Banks apologised yesterday for an anti-German tweet featuring chancellor Angela Merkel that was published by the pro-Brexit group.

The tweet featured a picture of Merkel next to the tagline: “We didn’t win two world wars to be pushed around by a Kraut.”

Banks, who initially defended the tweet which was posted on Tuesday, yesterday accepted that Leave.EU had crossed a line and apologised.

“The Leave.EU team went too far yesterday but the real outrage is the German suggestion that Northern Ireland be separated from the UK. As a result we will delete the post and apologise accordingly,” he said.

Leave.EU communications director Andy Wigmore tweeted: “We have removed the tweets from [Tuesday] that were not appropriate, we went too far and we apologise.”

The group was criticised by both pro-Leave and Remain voters for the tweet, which was widely described as xenophobic.

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Aberdeen Standard pressures BHP over climate leadership

BARBARA LEWIS

ONE OF BHP’s biggest shareholders, Aberdeen Standard Investments, yesterday added pressure for the world’s leading miner to cut ties with lobby groups it said are at odds with the company’s pledges on climate leadership.

Earlier, the Church of England Pensions Board urged shareholder advisers to review their opposition to a resolution calling on BHP to withdraw from groups that lobby for policies that undermine the integrity of BHP’s climate leadership.

Aberdeen Standard Investments, which holds around 3.2 per cent of BHP’s stock, said it was taking the rare step of speaking out ahead of a vote at BHP’s annual shareholder meeting in London on 17 October because of the urgency of tackling climate change, and after its research found the lobby groups were the biggest single obstacle to progress.

In a telephone interview, Bill Hartnett, stewardship director at Aberdeen Standard, said BHP had shown climate leadership in many ways, but that stance was contradicted by its membership of some industry groups.

“Failure to implement effective governance of its industry group lobbying activities serves to undermine the integrity of BHP’s climate leadership position and causes damage to its reputation,” Hartnett said. He did not specify which lobby groups.

Aberdeen Standard Investments, part of Standard Life Aberdeen, is a top-five BHP shareholder.

UK accounting regulator launches biggest ever recruitment process

HUW JONES

BRITAIN’S accounting regulator launched its biggest recruitment drive yesterday to hire 80 more staff as it transforms into a more powerful body to improve audit quality.

The Financial Reporting Council (FRC) has been criticised by politicians for being “toothless” in its response to failures at retailer BHS and construction company Carillion, which collapsed with little warning to staff and investors.

It has begun responding faster, announcing a formal investigation into the auditor of Thomas Cook, a travel company that only collapsed last month. It is also taking a harder line on audit quality.

A new chair, Simon Dingemans, and new chief executive Jon Thompson took up the reins this month, but the formal name change to Arga and other changes must wait for legislation.

City of London update

Next Lord Mayor of the City of London elected

WILLIAM Russell has been elected as the 692nd Lord Mayor of the City of London.

He will serve as a global ambassador for UK-based financial and professional services, taking office on 8 November.

Alderman Russell will also look to promote his ‘Global UK - Trade, Innovation & Culture’ agenda which will build on the current Lord Mayor’s theme of ‘Shaping Tomorrow’s City Today’, focusing on connecting communities through trade, innovation and culture.

This year’s Lord Mayor’s Show takes place on Saturday 9 November. In addition, Show Zones - at Paternoster Square/St Paul’s Churchyard and Bloomberg Arcade - will host a range of events, activities and attractions.

lordmayorsshow.london

Is your firm ready for Brexit?

HAS your business prepared for Brexit?

The UK government has pledged to leave the European Union with or without a deal.

This may have a significant impact on businesses of all sizes across the Square Mile and beyond. So firms need to start preparing now for the impact it may have for your business and employees.

An information campaign urging the public to “get ready for Brexit” has been launched by the government, including a website, gov.uk/ brexit.

The City of London Corporation has also created a web page that lists different sources of advice that could help.

cityoflondon.gov.uk/breastandyoubusiness

News, info and offers at www.cityoflondon.gov.uk/eshot

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Our track record as long-term, supportive shareholders makes us attractive to a new breed of capital-light businesses. And our committed approach means we can enjoy a better quality of dialogue with management teams at transformational organisations. Over the last five years, the Scottish Mortgage Investment Trust has delivered a total return of 163.8% compared to 112.7% for the sector. And Scottish Mortgage is low-cost with an ongoing charges figure of just 0.37%.

Standardised past performance to 30 June*

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<th>Year</th>
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Past performance is not a guide to future returns.

Please remember that changing stock market conditions and currency exchange rates will affect the value of the investment in the fund and any income from it. Investors may not get back the amount invested.

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A Key Information Document is available by contacting us.

*Source: Morningstar, share price, total return as at 30.06.19. “Ongoing charges as at 31.03.19 calculated in accordance with AIC recommendations. Excludes transaction costs, costs of borrowing money to invest and the ongoing costs of any underlying investment funds within the Trust’s portfolio. Details of these costs can be found in the Key Information Document. Yields may be recorded for training or monitoring purposes. Issued and approved by Baillie Gifford & Co Limited, whose registered address is at Cattoon Square, 1 Greenside Row, Edinburgh, EH1 3AN, United Kingdom. Baillie Gifford & Co Limited is the authorised Alternative Investment Fund Manager and Company Secretary of the Company. Baillie Gifford & Co Limited is authorised and regulated by the Financial Conduct Authority (FCA). The investment trusts managed by Baillie Gifford & Co Limited are listed UK companies and are not authorised and regulated by the Financial Conduct Authority.
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Lower your monthly bill with a contract tailored to you, so you can get the phone you love, for less.

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Monthly payments vary in accordance with your chosen length of device credit agreement: lower your monthly payments by choosing a longer agreement length.
Requires a device credit agreement and usage agreement with Tesco Mobile Limited. Subject to status. Fair Use Policy applies.
See tescomobile.com/terms. For our credit offering the Financial Conduct Authority is our supervising authority.
Goldman Sachs is reviewing its role in the planned listing of a Chinese tech firm that has been blacklisted by the US. The bank said yesterday that it was looking at its involvement in Megvii Technology’s potential initial public offering (IPO).

Megvii, known predominantly for its facial recognition algorithms, is one of 28 Chinese groups to be blacklisted for its alleged involvement in the repression of Muslim minorities. The US has put 20 Chinese government entities and eight companies on the so-called entity list following their alleged involvement against ethnic Uighurs in China’s Xinjiang province. “We are evaluating in light of the recent developments,” the bank said in an emailed statement.

Citigroup, Goldman Sachs and JP Morgan are joint sponsors of the IPO. Sources had previously told Reuters the listing was scheduled for Hong Kong during the fourth quarter and might raise as much as $1bn (£820m). Megvii would be the first Chinese AI group to go public if it does list later this year.

The move to blacklist 28 Chinese groups has escalated tensions between the US and China, denting hopes of a trade war truce between the two sides in the coming days. The US government has also imposed visa restrictions on Chinese government and Communist party officials that it believes are responsible for the detention or abuse of Muslims in Xinjiang. UN experts and activists predict that at least 1m Uighurs and members of other largely Muslim minority groups have been detained in camps in the remote region. Beijing denies any mistreatment at the camps.

REYKER Securities, an investment management firm responsible for £1bn of assets, has entered special administration amid “financial difficulties” following a failed attempt to sell the firm. The company, which has around 15,000 clients, had been pursuing an accelerated sales process, but the Financial Conduct Authority (FCA) confirmed this fell through. “Due to the firm’s financial difficulties the directors resolved that it was cash flow insolvent, and in discussion with us, took steps to place the firm into special administration,” the FCA said. Administrators Smith & Williamson announced yesterday that Mark Ford, Adam Stephens and Henry Shinners had been appointed as joint special administrators for Reyker.

The administrators said Reyker controls client monies worth around £55m and has custody of around £960m of assets, some of which was invested via ISAs and pension products. Smith & Williamson said it would “look to pursue a transfer to another provider of either some or all of the Reyker business.”

LUXURY fashion brand Stella McCartney has appointed Moschino director Gabriele Maggio as its new chief executive, as the company begins a new partnership with minority owner LVMH, according to Women’s Wear Daily.
VENTURE capital (VC) investment in fast-growing British businesses surged 19 per cent in the third quarter to over £2.4bn, new figures have shown, meaning the UK is on target to smash last year’s record investment levels.

Over £7.4bn was invested by VCs in UK scaleup firms during the first nine months of 2019, almost equalling the £7.6bn raised over the entirety of 2018, according to research published yesterday by KPMG.

Scaleups are companies that have grown beyond the startup stage, and were defined in the study as companies that had received at least one round of institutional or series A investment.

The UK’s strong performance between July and September was spearheaded by two health technology companies — remote consultation app Babylon Health’s £368m funding round and the £195m raise secured by Cambridge-based medical device firm CMR Surgical.

‘VC investment in fast growth UK businesses remains as robust as ever with the domestic economic and political outlook having very little impact on their appetite for our disruptive enterprises,’ said Tim Kay, director of KPMG Enterprise.

Although investment totals are on track to break records, the number of VC deals made continued to fall during the third quarter. There were just 245 deals completed during the quarter — a 42 per cent drop on the 421 made in the previous three months, and on the 420 made during the same period last year.

‘While there continues to be a significant amount of liquidity in the global VC market, investors are putting greater emphasis on governance, business models and expectations related to profitability,’ Kay said.

American Airlines drops Boeing 737 Max flights until 15 January

DAVID SHEPARDSON

AMERICAN Airlines Group yesterday extended cancellations of Boeing 737 Max flights through 15 January, running contrary to the US plane maker’s promises that the grounded jets would be flying again before the year end.

The largest US airline, which had previously cancelled about 140 flights a day through 3 December, upped its estimate for the impact of the groundings on third-quarter pre-tax profit to $140m (£114.6m) $15m more than a previous estimate.

Its shares rose, however, on the company’s statement in a trading update that lower fuel costs had boosted margins.

Reuters

Airbus cautions employees on 2019 cash flow

ALEX DANIEL

AIRBUS’ second-most profitable division, its defence and space business, is said to have warned employees it faces serious challenges meeting cash flow for 2019.

It comes after the company also urged its 33,000 workers to save more cash in the final quarter of last year.

The last quarter is usually a period of more challenging cash flow, with government clients often slow to pay up for work.

But Airbus is said to be feeling the pinch even more this year, as it remains entangled in a dispute with Germany over arms exports to Saudi Arabia.

Germany froze arms exports to the Gulf kingdom after Saudi agents killed journalist Jamal Khashoggi last year.

Airbus has said the moratorium disrupted an already long-delayed Saudi border systems contract.

Subsequently, the firm’s defence and space staff have been urged to take steps to improve the unit’s cash flow by the end of the year, according to Reuters sources.
EU warns of 5G cybersecurity risks but bites tongue on naming China

FOO YUN CHEE

THE EUROPEAN Union warned yesterday of the risk of increased cyber attacks by state-backed entities but refrained from singling out China and its telecoms equipment market leader Huawei as threats.

The comments came in a report prepared by EU member states on cybersecurity risks to next-generation 5G mobile networks seen as crucial to the bloc’s competitiveness in an increasingly networked world. The authors chose to ignore calls by the United States to ban Huawei’s equipment, drawing a welcome from the Shenzen-based company after it faced US accusations that its gear could be used by China for spying.

“Among the various potential actors, non-EU states or state-backed are considered as the most serious ones and the most likely to target 5G networks,” the European Commission said in a joint statement.

The EU is looking to come up with a toolbox of measures by the end of the year to address cyber security risks at national and bloc-wide level. 

The office sector recorded capital value growth of 0.4 per cent and total returns of 0.8 per cent. Central London offices out-performed the sector average with an increase of 0.6 per cent.

The report comes after research by proptech platform Datscha revealed almost £50bn of commercial property deals were completed in London between January 2017 and June 2019. Lesley Males, Datscha’s head of research, said: “The significance of this research lies in the understanding of London’s global appeal and resilience right throughout the three-year long period of political instability in which we find ourselves.”

American investors were the fastest growing group in London’s commercial property market since 2017, completing deals worth £6bn.

Asian investors continued to dominate the foreign buyers’ market, despite the first decline in numbers in two years, with a total investment of £15.8bn between January 2017 and June this year.

In the Square Mile, Asian investment totalled 48 per cent — worth £1.4bn — in the first half of 2019. The figure was driven by the £1.18bn sale and leaseback of Goldman’s new headquarters to Lasalle on behalf of the Korean National Pension Service.

Capital values across commercial property fell 1.2 per cent, as the value of retail warehouses dropped 1.8 per cent, as the property industry continued to feel the knock-on effect of the challenging retail environment.

Rolin Honeyman, senior research analyst at CBRE, said: “All property returns in the third quarter were again dampened by the continued poor performance in the retail sector, where returns were down on the previous two quarters and on the same period last year.

However, performance in the office and industrial sectors continues to remain steady.”

The decline was driven by a fall in the value of retail property, which fell 1.7 per cent in September, according to the latest monthly index published yesterday by CBRE.

Shopping centre values fell 2.6 per cent and the value of retail warehouses dropped 1.8 per cent, as the property industry continued to feel the knock-on effect of the challenging retail environment.

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Wealth management firm hits £1bn milestone four months after launch

SEBASTIAN MCCARTHY
@SebMcCarthy

A NEW wealth management partnership that pitches its investments as “anti-Woodford” has passed £1bn in assets under management four months after launching.

Vermeer Partners, which says it invests in liquid equities and bonds, has hailed its first billion-pound milestone since being set up last year.

The news comes amid a turbulent time for the wealth management sector, which has faced scrutiny since former star fund manager Neil Woodford suspended his flagship Equity Income Fund.

“Recent events in the investment sector have shown how great this need really is. Private clients are understandably shaken by recent events and the catastrophic failings of rock star fund managers,” said chairman Michael Kerr Dineen.

One source told City A.M. that Vermeer Partners has a further £400m in the pipeline.

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AT&T said yesterday it would sell its wireless and wireline operations in Puerto Rico and the US Virgin Islands to Liberty Latin America for $1.95bn (£1.6bn), as the second-largest US wireless carrier cuts its huge debt pile.

The deal comes as the company faces calls from activist investor Elliott Management to end its acquisition spree and focus on improving its business.

“Transaction is a result of our ongoing strategic review of our balance sheet and assets to identify opportunities for monetisation,” chief financial officer John Stephens said in a statement.

Reuters had reported in July that AT&T was exploring a sale for its Puerto Rico assets for $3bn to cut the debt it took on to purchase Time Warner for $85bn last year.

AT&T’s long-term debt stood at $157.79bn as of June end, according to a regulatory filing.

The company has already sold its stake in streaming service Hulu for $5.43bn and Warnermedia’s Manhattan offices for about $2.2bn. Liberty Latin America will support its Firstnet program in Puerto Rico and the US Virgin Islands, AT&T said. Firstnet is a national communication platform that is dedicated to first responders.

AT&T expects the deal to close in the next nine months.
UK market lags global stocks as Brexit fears rise

British shares lagged global markets yesterday as fears of damage from Brexit outweighed reports of China being open to a partial trade deal with the United States.

The FTSE 100, whose components make two-thirds of their earnings abroad, added 0.3 per cent but trailed Wall Street and European markets as blue-chip housebuilders and retailers fell.

The FTSE 250 index, which has a greater exposure, ended 0.2 per cent lower.

Supermarket chains Sainsbury’s and Tesco lost 2.2 per cent and 1.1 per cent respectively.

Meanwhile homebuilder Persimmon lost nearly two per cent as a crucial deadline in the long-drawn out Brexit process looms ahead.

Prime Minister Boris Johnson has repeatedly said that Britain will leave the European Union on 31 October with or without a deal, leaving markets braced for a Brexit shockwave.

Among the gainers, London Stock Exchange Group added 3.2 per cent to top the FTSE 100 leader-board, recouping some of the steep losses seen in the last session when Hong Kong Clearing and Exchange abandoned takeover plans.

Just Eat climbed one per cent after orders on rival Dutch platform Takeaway.com surged.

Financial sector stocks rose 0.6 per cent. They Have fallen six per cent since the start of 2019, lagging a near seven per cent rise in the FTSE 100 over the same period and the only major sector with year-to-date losses.

The recovery comes ahead of the release of minutes from the US Federal Reserve’s last meeting, which could provide further insight on how far it will go to prevent a slowdown.

GVC outperformed the midcap index with a 5.1 per cent jump as the Ladbrokes owner boosted its annual core earnings target for the second time in three months on robust demand in its betting shops, despite tighter regulation.

That news helped rival William Hill gain one per cent.

TOP RISERS
1. SSE Up 2.59 per cent
2. Anglo American Up 1.57 per cent
3. BAE Systems Up 1.27 per cent

TOP FALLERS
1. Rightmove Down 3.35 per cent
2. Fresnillo Down 2.58 per cent
3. Hailma Down 2.25 per cent

The shine has fallen off the share price of gold miner Centamin in the last month.

The company announced the appointment of Phil Cowans as its new chief technology strategic advisor. Having spent the past three years as founder and chief executive of Pi Labs, commented: “It’s my pleasure to welcome [Phil]. We invest in innovations in deep tech including AI, machine learning, augmented reality and blockchain, we have increased our tech and engineering capability across the board.”

AVIVA INVESTORS
The global asset management business Aviva Investors yesterday announced the appointment of Emma Hailey as head of investment process. In this new role, Emma will be responsible for the generation, structuring and completion of new ideas across Aviva Investors’ multi-asset strategies, with a particular focus on its multi-strategy (AMS) range. Emma will maximise collaboration across investment teams by co-ordinating key areas of focus for discussion within the multi-strategy team’s weekly investment meetings as well as the firm-wide strategic investment group forum. Emma joins from Finsbury Asset Management, where she was head of portfolio management. Prior to this, she spent four years in the global fixed income team at Schroders. Peter Fitzgerald, chief information officer at Aviva Investors, said: “We are very pleased to welcome Emma to the team and look forward to benefiting from her experience as we continue to focus on strong idea generation to drive performance.”

Ashburton Investments has announced the appointment of Emma Hailey as its new chief technology strategic advisor. Having spent the past three years as founder and chief executive of Pi Labs, commented: “It’s my pleasure to welcome [Phil]. We invest in innovations in deep tech including AI, machine learning, augmented reality and blockchain, we have increased our tech and engineering capability across the board.”

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Despite the doom and gloom narrative, female entrepreneurship is on the rise

Juliet Rogan

The number of female entrepreneurs is on the rise, and their share of investment funding is increasing. It’s not a line you read very often, but it’s something we need to celebrate louder, because the perception can sometimes be anything but.

Often, we hear about the challenges facing women, but little about their successes. In fact, the UK is not short of inspirational female entrepreneurs, and there are many notable ones in the pipeline. A report released today by the Female Founders Forum, with a forward by interna
tional trade secretary and minister for women and equalities Liz Truss, champions these women, their achievements, and their role in inspiring the next generation.

Female-founded startups represent a growing share of investment activity. In 2011, 11 per cent of startups that raised equity investment were founded by women. By 2018, this figure had almost doubled to 21 per cent. Female-founded businesses also have similar rates of follow-on funding. Once they receive an investment, the likelihood of securing additional rounds of capital is almost equal to male-founded firms (52 per cent versus 31 per cent).

Despite these strides, there is still a huge amount to be done to boost female entrepreneurship in the UK, and there’s a seriously strong eco
nomic case for ensuring that this progress continues – as Truss knows only too well. Earlier this year, she highlighted the gender gap in investment accounts for approximately 1.1 million business opportuni
ties, equating to a £250bn potential for the UK economy.

This fast opportunity is one of the reasons why we launched the Female Founders Forum with The Enter
preneurs Network four years ago – to encourage, support and promote female entrepreneurship.

To continue moving forward, it is vital that we make the UK the best place for a woman to start and scale a business – and despite the doom and gloom narrative that is so per
vasive, there are reasons to feel op
timistic that we can achieve this sooner rather than later.

The private and public sectors are finally starting to work together in an effective way. The timely Rose Re
view and the Investing in Women Code that followed – of which we are proud signatories – outline both the opportunity and a way forward.

Part of the answer to closing this gap starts at school. Instil girls with the right skills, financial literacy, and self-belief, and they are more likely to see themselves as both entre
preneurs and leaders in business. And helping more women become founders also means putting more of the right support in place. I am lucky to spend time with a variety of inspiring women and men who have invested in and scaled successful businesses. These impressive individuals often cite their own role models, mentors, and a wide support network as re
asons for their success.

And that’s why tonight we are hosting our annual Entrepreneur Awards, to celebrate their success and successes of some of the country’s most inspirational entrepreneurs. The UK the startup capital of Eu
rope, with our companies attract
ning more venture capital than any other country on the continent. It’s time to shout louder about the suc
cess of our entrepreneurs, and in
spire the next generation to follow in their footsteps.

Juliet Rogan is head of high growth and entrepreneurs at Barclays.
The trade spat is a proxy war in a much bigger battle

MAKE no mistake, the trade war is real. It is being used as a proxy by China and the US to fight a bigger battle: one that transcends orthodox definitions of hard and soft power to incorporate “sharp” power – influence over finance, information, ideas, even thought and behaviours.

It is a fight for control of the new digital paradigm. But right now, it risks being influenced by domestic considerations – with potentially disastrous consequences for the rest of the world.

Take last week. President Donald Trump asked China to investigate the Biden family’s business dealings, but Beijing’s foreign policy principles, insofar as they are transparent, explicitly state that it will not interfere in the affairs of another country.

The demand clearly provides the strategic context for the ongoing discussions. With trade talks resuming today, China’s vice president Liu He and the US trade representative Robert Lighthizer will be attempting to avoid any further escalation of tensions.

If they fail, the US will increase the tariffs imposed on $250bn of Chinese goods from 25 per cent to 30 per cent. For the last 18 months, the two countries have escalated the crisis by embroiling themselves in the tit-for-tat attritional tactics that are endemic to this type of conflict. On the face of it, neither side is winning, and the knock-on effects on the global economy are potentially catastrophic.

Last week’s move, however, suggests that Trump’s current strategic game is to use rhetorical dominance over foreign policy as a show of strength to a domestic audience, at a time when impeachment proceedings against him require both a strong rebuttal and a win against China.

Trade has always been Trump’s preferred tool in the zero-sum game that he plays at home and abroad. So it may seem unsubtle, but he would think nothing of emboiling his chief trade adversary into his domestic challenges and offering them a concession on the tariffs in return.

China, by contrast, is likely to see this for what it is: a move with a short-term domestic political objective rather than a longer-term globally economic one. However, China’s “socialism with Chinese characteristics” can allow conflict and peace to exist at the same time: it can be at war with the US for control of the digital paradigm while simultaneously expanding its reach peacefully across the Belt and Road initiative sphere of influence.

So China’s strategy this week is likely to be equally clear. It will engage in the talks, but will maintain its firm position on the key sticking points: cyber security, intellectual property theft, access to Chinese markets, and dispute resolution mechanisms outside of WTO frameworks. It does not need to shift its position on tariffs: if China’s growth slows, so does that of the rest of the world. China can afford to risk a breakdown of talks as a result.

What is interesting here is that both sides are in similar positions. While the problems that Trump’s administration faces may seem to be centred around the man himself, the long-term concern for the US is the threat posed to American hegemony from China’s control of the digital space.

Equally, President Xi Jinping is all-powerful, but has to acknowledge the personal challenges his leadership faces from the protests in Hong Kong. So while both countries face similar long-term challenges to their global power, their leaders have more immediate domestic concerns, which may influence how they act.

Expect Trump to play more trade games in the coming months. While he is under the threat of impeachment and also looking to the 2020 election, the trade war will be the best way of diverting attention away from his own actions domestically. China, meanwhile, will see the current noise in the discussions as a façade hiding the intrinsic weakness of the US position.

Crucially, trade is not the real issue for either side – for both, short-term control of the domestic agenda and long-term control of the digital paradigm are far more important.

Trade is a proxy war and, given the size and power of their economies, both sides can afford it to be attritional. The rest of us, however, cannot. We ignore it at our peril.

Debate

Last year’s winter fuel allowance for pensioners cost almost £2bn – should the benefit be means-tested?

It is vital that those struggling to heat their homes receive support, but handing out cash to wealthy pensioners is a waste of taxpayers’ money. Age alone is an unfair way to decide who gets a £100-£300 lump sum from the government.

Statistics show that fewer than 10 per cent of older households (with one person aged 60 or over) are in fuel poverty, compared to 26 per cent of single-parent households. And while pensioners are at the highest risk of fuel poverty, less than four per cent of over-65s live in the private rental sector.

Handing out the winter fuel allowance to all pensioners, regardless of their income, is a thinly veiled Tory trick. With many working-age benefits frozen and families facing from the protests in Hong Kong. So while both countries face similar long-term challenges to their global power, their leaders have more immediate domestic concerns, which may influence how they act.

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Dr Rebecca Harding is chief executive of Corvias Technologies and author of Gaming Trade.
EXPANDS? IT'S ALL ABOUT THE FREEZER AISLE

Luke Graham speaks to Strong Roots about cracking into America with bags of frozen veggies

EXPORTING is a major topic ahead of the Brexit deadline of 31 October. Hundreds of thousands of business across a range of sectors are understandably concerned about how to overcome the challenges associated with exports after leaving the EU.

Sam Dennigan, founder and chief executive of Strong Roots, managed to crack this conundrum with a seemingly ordinary product: frozen vegetables.

Dennigan is not selling boring bags of frozen peas. Strong Roots offers premium food products such as courgette and spinach hash browns, broccoli and purple carrot bites, and kale and quinoa burgers.

Founded in the Republic of Ireland in 2015, Strong Roots is stocked in all major UK retailers and exports to countries around the world in the EU and beyond.

Dennigan launched the company after spending 10 years selling fruit and veg with his family’s business in Dublin. Frozen food may not be the sexiest product, but he felt he had noticed a lack of innovation in the market, and that there was a gap for exciting food that people would actually want to eat.

For the previous 50 years, the definition of innovation in the frozen category was changing the packaging design,” he says. “We came with something genuinely new and different.”

Dennigan saw two main advantages to frozen food over fresh. From a business perspective, fresh vegetables are perishable, making them less profitable and harder to export for a small startup looking to scale. Then there was the environmental sustainability aspect to his brand. Dennigan argues that if consumers switched from fresh vegetables to frozen, food waste would be drastically reduced.

“That’s not to say I’m a frozen advocate and we shouldn’t eat fresh food, but if we’re going to be serious about being a food business with an agenda of sustainable growth, it’s something that people need to be conscious of,” he says.

This is a hot topic right now. Food waste is a major concern – it’s estimated that over a third of all food produced globally goes in the bin – and is a major contributor to greenhouse gas emissions. Consumers are also becoming more conscious about the environmental impact of what they eat, exchanging meat in favour of plant-based options. This is why trends like “Veganuary” have become more popular, and why animal rights campaigns such as Extinction Rebellion blocked the meat trade at Smithfield Market this week.

Certainly, Dennigan is aware of this healthy-eating, environmentally conscious trend, and it’s something that his brand is leaning into.

“When we launched our veggie burger, we weren’t trying to convert people to veganism, it was just simply vegetables are great, and we don’t need the meat, try this,” he recalls. “Now, it’s led by a much more focused communication of purposeful change. That has gotten stronger as a result of what the consumer wants.”

This sustainability angle also plays into how the product is made. Rather than mass-producing vegetables in a few locations, Strong Roots has several sites around the world selected based on seasonality and soil suitability.

“Our veggie burgers come from a rich growing horticulture area in northern Italy and Austria as a result of a very fertile valley, where we can grow more intensely without ruining the soil,” explains Dennigan. “There’s a huge conscious effort to take things from places that we can grow more intensively without ruining the soil.”

And it seems to be working. This year, Dennigan secured £1m in fundraising, and is now selling in US stores such as Target and Whole Foods. The company expects sales of £50m this year.

“Things are going really well in the US,” he tells me from New York, where he is overseeing the expansion. “The stores we have launched into are trading successfully. The most difficult thing is not getting the product on shelves, but keeping it there. All of our efforts at the moment are making sure the traction that we won early on is maintained.”

So what’s his advice for other firms that want to be successful exporters? The key thing is: don’t rush into it.

“Concentrate on what you’re good at, where you’re good at it. A lot of young companies rush towards export because there’s a certain gravitas and premium associated with a product being exported, but people need to focus on whether they’ve capitalised on their full potential in the countries they’re at,” Dennigan says.

But he is particularly keen to add that there is still plenty of potential in the UK.

“We’re betting on Britain’s economy,” he says. “We don’t think people are going to stop eating healthy food. In fact, we think it’s going to accelerate. There are 65m people on a small island, who grew very discerning tastes. We’re an exporter from Britain, and an exporter to Britain. We’re definitely going to stay there.”
SONOS ONE SPEAKER
£179, SONOS.COM
Amazon and Google are the divorced parents of the smart speaker world, with their respective voice assistants both vying for your devotion. If you just can’t choose between them, consider the Sonos One. It’s the first smart speaker from Sonos, and integrates both Amazon’s Alexa and Google’s Assistant into one unified package. It’s the ideal choice for those who have already kitted out their place in Sonos devices, which allow you to easily stream music throughout your entire home.

SAMSUNG FAMILY HUB
£2,749, SAMSUNG.COM/UK
As seen in every episode of Queer Eye, this cavernous fridge freezer from Samsung is about the size of some London flats and lets you spy on your vegetables while you’re out of the house. It’s got a big touchscreen on the front where you can leave notes and photographs, rendering fridge magnets not just obsolete, but a threat to the proper functioning of the fridge.

NEATO BOTVAC D7
£799, NEATOROBOTICS.COM
This robot hoover scans its surroundings as it cleans, creating maps of your home that it then uses to clean more efficiently. It can be set on a schedule to hoover while you’re out, can navigate on to rugs and around chair and table legs, and will stay out of any areas you designate as no-go zones in the app. It also makes a decent entry-level pet for those who can’t commit to a cat.

AMAZON ECHO (2019)
£90, AMAZON.CO.UK
The Amazon Echo speaker has slowly evolved since first launching in 2014, spawning a family of spin-offs as it went. As well as being the gateway gadget of choice for those looking to dabble in smart home technology, the most recent iteration of the standard issue Amazon Echo now boasts audio quality nearer to that of the beefier Amazon Echo Plus. You can ask it to control your lights and TV, play music, or if you really want to impress your guests, make fart sounds.

RING DOORBELL
£139, RING.COM
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OFFICE POLITICS

TODAY is the 116th anniversary of the Women’s Social and Political Union in the UK – the organisation that secured universal suffrage in Britain. It is an inspiring date.

Today, women do experience greater parity with men than ever before. However, all over the world, patriarchal cultures still restrict women’s ability to be successful in business. And, more damagingly, they can also restrict their ability to believe in their own talents.

It doesn’t help that there exist two equally potent prevailing models of what female “success” looks like in a business context. One, the chief executive of the north American ultra-powerhouse, the Sheryl Sandberg figure. The other, the internet sensation and entrepreneur, the Kim Kardashian model. Both are wealthy beyond dreams. And to their admirers, they are towering pillars of unfathomable success.

However, do these individuals represent powerful models for all women, or is their prominence in fact a daily reminder that we are missing more attainable ideals of success? Consider the fact that there were just 30 women in full-time executive roles at FTSE 250 firms last year. And having millions of Instagram followers is an anomaly, not the norm. Clearly, not every woman can be a Sheryl or a Kim – and nor should they aspire to be.

There are vast swathes of women who might feel constrained by the very existence of these two ideals. Indeed, trail blazing success stories are not always the motivation women need to be inspired to succeed in business at all.

I look at my own career – candidly, it has been one of two distinct halves. At the beginning, I tried to fit in. I was often the only woman on a team, and in my efforts to navigate a very male-dominated and patriarchal environment, I tried to act as I thought a man would. In short, I was not myself. At home, things were totally different – I would laugh and was more supportive. I was a woman split in two.

And for a time, it worked. I was made a partner at a global management consultancy. But it was not all success. A deal failed unexpectedly, causing me huge stress, and my true self fought to come out.

Through this experience, I found my true personality and my empathy. I applied my emotional intelligence, and accepted that as a woman I could add huge value to a boardroom.

I found success again, but this time, I felt that I could be me – my authentic, happy self. My sense of relief was huge and palpable.

More importantly, my team understood and emulated me, and then they went on to lead by example. Real, authentic experience like this can be a much more powerful motivator than either the Kim or Sheryl ideals.

I am certainly not the only woman to have felt this way, which is why I created WomanID – a motivational and educational platform which revolves around encouraging women to succeed, while preserving their authenticity and individuality. It is a safe space for women to get together and support each other.

We are launching in London today to show that there are many different models of and avenues to success – myriad women in business to aspire to, while still being true to ourselves.

Ekaterina Kozinchenko is the founder of WomanID.
**Buoyant Scots set up do-or-die against Japan**

Revival gathers pace with nine-try rout of Russia, writes Michael Seaborne

AFTER a disastrous start to the Rugby World Cup, Scotland appear to have drastically turned their fortunes around. Having looked unconvincing in their first two games, they have clawed their way back in to contention.

The hosts, Georgia, had been seen as one to avoid, having lost their opener to Russia and then gone on to lose to the Japanese, their only win so far having come against Samoa. Against the Scots, they were soundly beaten 34-0.

They were not alone in their level of performance, with Scotland also taking the win 61-0, making for a highly entertaining game.

George Horne (l) and Adam Hastings (r) scored tries as Scotland beat Russia 61-0

**Farah hits Chicago with a point to prove**

Marathon defence would be timely boost amid fallout over Salazar ban, writes Felix Keith

Sunday is a big day for Sir Mo Farah. Having thrown in to the ring of the World Athletics Championships in Doha only last month to see his name in the Olympic for all the wrong reasons, following the four-year doping ban issued to his former coach Alberto Salazar, Farah is back racing this weekend.

The Chicago Marathon is a major event in the calendar of elite distance runners but might not normally make it into the peripheral vision of most sports fans. However, it means a great deal to Farah, who has a lot riding on his performance in the United States.

Farah is defending his title in Chicago after winning his first – and so far, only – marathon at this event in 2018. His time of two hours, five minutes and 11 seconds remains a British European record.

But while retaining his title against a strong field which includes 2015 winner Nick Willis, Ireland’s Thomas Rupp, this year’s Boston Marathon champion Lawrence Cherono, Farah’s former Nike Oregon Project stablemate Galen Rupp, a bronze medallist at the last Olympics, is important to note.

**Eggs in one basket**

The six-time world champion and double Olympic champion at both 10,000m and 5,000m retired from the track in August 2017 to focus on road racing. All of his eggs are now in one basket: having won everything on the track, success over 26.2 miles is now his holy grail.

Despite his chosen path, the 36-year-old admitted to missing his old events in March, while the fact he has only run three events this year – the London Marathon, Vitality 10k and Great North Run – plus the Salazar storm have amp up the expectation in Chicago.

Although Farah left Salazar’s Oregon Project in 2017, he has not failed a drugs test and has always strongly denied breaking any rules, the extent of the revelations surrounding the coach credited with helping him reach stardom, has reopened old wounds and forced him to distance himself from Salazar once again.

The situation hasn’t been helped by Farah’s physiotherapist Neil Black, who has been forced to step down as performance director of UK Athletics at the end of the month after aligning himself closely with Salazar.

**Lottery funding**

Victory in Chicago wouldn’t make the cloud above his head disappear – in fact, in some circles in might actually prompt more questions – but it would be confirmation for Farah himself that he made the right call, if not with his former coach, but with his career trajectory.

Despite moving away from the track in the summer of 2017 Farah is still in receipt of National Lottery funding. If he performs well this weekend it would make a return to the GB vest at next year’s Tokyo Olympics, and the wider public eye, a far better chance, especially on account of the emergence of Callum Hawkins, who finished fourth in the marathon in Doha this month.

After weeks of hitting the headlines on account of those around him, and with Olympic ambitions at the forefront of his mind, Farah might just be inspired to push that little bit harder in the closing stages of Sunday’s race.

**Silverwood is young, hungry and perfect for England role**

Chris Tremlett

CHRIS Silverwood has been appointed as England’s new head coach and I think the PCB hierarchy have made a good decision.

I came across Silverwood in county cricket and thought he was a fantastic guy and provided me with feedback I’ve heard is been positive: he has a simple approach, is a strong communicator and manager.

I’ve written previously that England should go for someone with a similar outlook to Trevor Bayliss to deliver exactly what they’ve done. Overall Bayliss changed things for the better and his tactics and temperament cannot be altered in Test cricket his legacy shouldn’t be discarded.

Silverwood has been inside the set-up for a few years, so knows the system and the players well. He’s also fresh faced and could take on two or three series to settle into the role, but that shouldn’t be the case on this occasion.

Stepping up from bowling coach to head coach won’t be an issue either. Silverwood has the edge on stamp on teams, but England have lots of people around in meetings and Bayliss isn’t the authoritative type.

I worked under him at Sydney Sixers and the atmosphere was so relaxed it sometimes felt like a club cricket session. Silverwood will be taking on more responsibility, but that’s the hub of the decision-making and dealing with the media, but his existing relationships with the players and staff and his experience as Essex head coach will stand him in good stead.

Despite the drawn series meaning Australia retained the Ashes, I think Silverwood is taking on the role in a positive light.

At 44 he’s a young, hungry and motivated coach, which is important because someone like Ireland coach Graham Ford, who was in the picture, has loads of experience yet might not have the same drive to succeed.

Another feather in Silverwood’s cap is his grounding in and knowledge of the County Championship. Bayliss took little interest in the domestic game, which was fine for a settled one-day side, but was a weakness when it came to Tests.

Silverwood is English, played in the County Championship himself and won the Division One title with Essex just two years ago, so he will be able to take a deeper look at players. It can’t hurt to have someone else look beyond the statistics to try and identify the right kind of players who can win Tests.

That’s an important attribute to have because selection can be made difficult by playing a continuously which aren’t helpful in breeding Test players.

In the long run the domestic system needs looking at, but with Silverwood working alongside director of cricket Ashley Giles, I think England are in an encouraging position.

Chris Tremlett is a former England and Surrey fast bowler. @ChrisTremlett83
**SPORT**

**WALES BATTLE TO WIN**

Adams hat-trick sees off Fiji and seals quarter-final place

Winger Josh Adams scored a hat-trick as Wales overcame a spirited Fiji 29-17 to qualify for the quarter-finals of the Rugby World Cup yesterday. Warren Gatland's side have guaranteed their progression ahead of Sunday's final Pool D game against Uruguay, but it was far from straightforward. Fiji raced into a 10-0 lead, while fly-half Dan Biggar suffered a head injury which will see him miss Uruguay and Adams and centre Jonathan Davies also picked up knocks. However, Adams (pictured) produced three finishes in the corner to make the game safe before Liam Williams added a bonus point. “It was tough. From 10-0 down I would've taken a bonus-point win,” said Gatland. “We showed some real character to get back into that. They have some incredible individual athletes, we showed some character to fight back. I’m pleased with that performance and result.”

**AFRENCH DISCONNECTION**

Mutiny talk has left England’s pool rivals at crossroads ahead of ‘Le Crunch’, says Michael Searles

When France face England at the Rugby World Cup on Saturday, there will be more than just a place at the top of Pool C on the line for Les Bleus. They may have been misfiring at this tournament so far, hobbling to a 23-21 victory against Tonga last weekend, but when it comes to Le Crunch they will be fired up – particularly given the humiliating 44-8 defeat suffered at Twickenham during this year’s Six Nations.

Following three underwhelming victories so far at the World Cup and reports of a mutiny behind the scenes, they have plenty to prove to those questioning them back home too. They looked to be cruising when 17-0 up at half-time against Tonga but ceded territory to the Pacific Islanders’ kicking game throughout the second half and were lucky to come away with four points in the face of a late comeback.

It led to strong criticism back home, with Toulon owner Mourad Boudjellal calling on the players to channel the spirit of their 2011 World Cup campaign and “take control” from the coaching staff. Eight years ago the team sidelined coach Marc Lievremont after losing to Tonga and went on to reach the final, where they only lost 8-7 to New Zealand.

“Take control guys, take the power, for our game but the other games arrangements are being looked at, not just for our game but the other games that could be affected by it,” said Scotland coach Gregor Townsend.

Monday was cancelled with reports in France suggesting that captain Guilhem Guirado had fallen out with head coach Jacques Brunel and his replacement-in-waiting, Fabien Galthié, who is currently an assistant.

Former France captain Galthié was brought into the set-up in April following a disappointing Six Nations that included three defeats and has seen pressure on Brunel mount.

Hooker Guirado looks unlikely to start against England and is said to feel increasingly marginalised by management who do not consult him on key decisions. He also endured a strained relationship with Galthié at Toulon during the 2017-18 season, French newspapers claim.

Despite the coaches’ efforts to hand players the armband to Jefferson Poirot, players including Gael Fickou and Maxime Medard are among the likely candidates to fill a formidable back line.

The lack of cohesion in the team has been apparent and while their notoriously strong pack has not yet clicked into gear, there have been moments of individual quality among the backs to give England reason enough to fear. Romain Ntamack, 20, has taken the mantle of being fit for England’s four-Test series against South Africa, which starts on Boxing Day.

**SPORT DIGEST**

**INJURED RAMSEY RULED OUT OF SLOVAKIA MATCH**

Wales will be without Aaron Ramsey in their Euro 2020 qualifier against Slovakia in Trnava this evening after the Juventus midfielder suffered an injury. Ramsey, who hasn’t played for his country since November 2018, is unavailable due to “tightness in his adductor” according to manager Ryan Giggs. Wales are fourth in Group E with two wins from their two games so far.

**ANDERSON TO REFIND FITNESS WITH MAN CITY**

England fast bowler Jimmy Anderson is to train at Manchester City in a bid to recover from the calf injury which blighted his summer. Anderson, 37, bowled just four overs in the Ashes due to the problem, which struck in the opening stages of the four Test August. He will now train at City’s Etihad campus in the hope of being fit for England’s four-Test series against South Africa, which starts on Boxing Day.

**CECH MOVES INTO ICE HOCKEY WITH GUILDFOR**

Chelseas and Arsenal goalkeeper Petr Cech has signed for ice hockey side Guildford Phoenix. The 37-year-old retired from football at the end of last season and became technical and performance adviser at Chelsea. Cech will be a goaltender with Phoenix, who were formed in 2017 and play in the fourth tier of Britain’s ice hockey pyramid.

**CRESSWELL SIGNS NEW CONTRACT AT WEST HAM**

West Ham defender Aaron Cresswell has signed a new contract with the Premier League club. The 29-year-old left-back, who joined the Hammers from Ipswich in 2014, has signed a deal until 2023. Cresswell has made 184 appearances for the club over the past five years, including 14 this season, and is the third longest-serving player, after captain Mark Noble and centre-back Winston Reid.

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