Foreign secretary trades barbs with Iran as tensions continue to mount

Catherine Neilan

FOREIGN secretary Dominic Raab yesterday warned Iran of further political and economic isolation if the country does not stop charting a “peaceful way forwards.”

The government, which has been urging a de-escalation of tensions since the killing of Iranian general Qasem Soleimani by the US, is still seeking an independent inquiry into the Ukrainian Airways crash, in which four Britons died.

Brits are currently not recommended to travel to Iran, which has unilaterally pulled back from a major nuclear deal, which restricted the country from developing weapons.

Tensions between the two countries worsened over the weekend, after UK ambassador Rob Macaire was arrested and held illegally for three hours. Iran said it was the result of Macaire attending a public vigil to pay respect to the victims of Flight 752, which was accidentally downed by an Iranian missile.

Raab summoned the Iranian ambassador to the Foreign Office yesterday to “demand an apology and seek assurances full assurances this will not happen again”.

Following the meeting, Iran’s foreign ministry issued a strong statement, warning the UK not to make any further missteps.

“Any new mistake of Britain will be severely confronted by Iran and London will be responsible for that,” the ministry said, according to Iranian state TV.

Raab said yesterday Macaire’s arrest was “a flagrant violation of international law”, adding that security measures for the embassy were under review.

He said the UK would maintain its legal response to Iran’s continued action in the region, and would work with the US and its allies to ensure that the UK’s interests were protected.

Raab said the UK would continue to work with its allies to ensure that the region remained stable and secure, and that Iran’s actions did not undermine the stability of the region.

Catherine Neilan
Boardroom shakeup at Buckingham Palace

A SHOCK decision that caught the establishment by surprise led to rancour, division and a nation divided. Now, after hectic negotiations during which the media lapped up spin from each side, it looks as if a Canada-style deal is on the cards — following a pragmatic transition period. But this ain’t Brexit folks, it’s the modern monarchy and its growing pains have become audible. More accurately, these are shrinking pains — since the top executives at the firm (better known as Her Majesty the Queen, the Prince of Wales and the Duke of Cambridge) decided last year to focus on a slimmed-down Royal Family, focusing on the immediate heirs. The streamlining of the board was made easier (though doubtless it didn’t feel like it at the time) by the epic fall of Prince Andrew, who decided to make his case directly to shareholders only to find his value tank once he opened his mouth. His disastrous Newsnight interview meant he had to clear his desk without so much as a farewell drinks party. With the plans for Monarchy 2020 there was surely room to accommodate the wishes of the Duke and Duchess of Sussex to take voluntary redundancy. Indeed, the Palace has let it be known that discussions about Harry and Meghan’s future role were very much on the cards. Despite rumours of a tell-all interview, we may never know why the Sussex sub-branch decided to unilaterally announce a split from HQ, but the Royal Family is pragmatic (often ruthlessly so) and the Queen, despite being shocked by the behaviour of her grandson, issued a memo to all heads of department in which she demanded solutions, not problems. The result was yesterday’s Sandringham summit. There were no ACAS mediators, but it seems a plan is developing. The Queen said in a statement last night that “we respect and understand their wish to live a more independent life” and that there will be “a period of transition in which the Sussexes will spend time in Canada and the UK”. Crucially, the Queen acknowledged that the Duke and Duchess “do not want to be reliant on public funds in their new life”. As is so often the case, money will be the sticking point of these negotiations. Harry and Meghan can’t just launch a clothing line and tout for voiceover work. However, we should recognise their desire to take back control and support them as they forge a new path. Indeed, we should wish them all the best.

**Quote:**

“The Royal family is pragmatic - ruthlessly so

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MOVING ON UP The Museum of London unveils plans for long-awaited move into Farringdon’s Grade II-listed Smithfield Market

UK economy in surprise shrink

The UK economy fared much worse than expected in November as it struggled with political uncertainty. Official data revealed yesterday, leading to a surge in expectations that the Bank of England (BoE) will cut interest rates at its next meeting. British GDP fell 0.1 per cent in November, the Office for National Statistics (ONS) said, undershooting analysts’ predictions of stagnation. The year-on-year growth figure of 0.6 per cent was the worst since 2012. Yet many economists said Bank of England policymakers will not make decisions about rates until a batch of survey data is released at the end of the month, which will give a more up-to-date look at the economy. Boris Johnson’s thumping election win in mid-December has cheered many businesses, according to various surveys, leading some to predict an economic bounce. The official data showed that production declined 1.2 per cent during November, while manufacturing dropped 1.7 per cent. Britain’s usually resilient services sector, which accounts for more than 75 per cent of the economy, also contracted in November, by 0.3 per cent. Philip Shaw, economist at Investec, said: “We are not convinced that this is a temporary, Brexit related occurrence following the passing of October’s deadline.” The official GDP reading caused expectations that the Bank of England would cut its main interest rate from 0.75 per cent to rise markedly. Investors now place the probability of a rate cut at 47 per cent. A week ago, that figure was just five per cent.

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THE TIMES

**THE TIMES**

**PERSIMMON PAY SCANDEL EXECUTIVE RESURFACES**

The former chief executive of Persimmon who was sacked after an outcry about his £76m bonus has resurfaced at another Yorkshire housebuilder. Jeff Fairburn, 53, has been appointed chief executive of Berkeley Deveroe after buying a 50 per cent stake in the business.

**AUSTRALIAN MORRISON’S POPULARITY SLUMPS**

The popularly of Australia’s Prime Minister has plummeted since the nation’s bushfire crisis erupted. Scott Morrison’s ratings have tumbled eight points in a month, and his government has fallen behind the opposition party.

**THE DAILY TELEGRAPH**

**BIG BEN WILL NOT BONG FOR BREXIT AS COSTS SPIRAL**

Big Ben will not bong for Brexit, after projected costs spiralled to half a million pounds. The issue was discussed at a meeting of the House of Commons Commission yesterday morning, but it was dismissed over financial and logistical issues.

**ASTON MARTIN ‘NEEDS £500M CASH INJECTION’**

Aston Martin needs a £500m cash injection within weeks to stabilise the embattled luxury car maker. The prediction was made by analysts at Redburn and follows talks the company is understood to have held with several foreign potential investors.

**THE WALL STREET JOURNAL**

**OLD SEARS SETTLES WITH NEW SEARS FOR $18M**

Sears Holdings, the estate of the iconic department store left behind in bankruptcy, has agreed to settle litigation over new owner Eddie Lampert’s $5bn (£3.8bn) purchase of the retailer’s best stores for more than $18m.

**PLAN TO REVAMP MEDICAID ELIGIBILITY DRAWS CRITICS**

A push by the Trump administration and states to overhaul Medicaid eligibility regulations is alarming critics who say stiffer verification measures are already creating procedural hurdles that depress enrollment. The service helps low income and disabled people.

**WHAT THE OTHER PAPERS SAY THIS MORNING**

**JP MORGAN SUSPENDS TRADER FOR WHATSAPP**

JP Morgan has suspended one of its most senior credit traders for using a WhatsApp group to communicate with colleagues, highlighting Wall Street’s growing concern about the use of unauthorized messaging systems that could circumvent compliance checks.

**EMILY NICOLLE**

**RUSSIAN military hackers have been conducting attacks on the Ukrainian gas firm at the centre of US President Donald Trump’s impeachment trial, it was revealed in the early hours of this morning. First reported by the New York Times, the hacking attempts were conducted against Burisma, the company where Democratic presidential candidate Joe Biden’s son Hunter served on the board. The attacks have been ongoing since November, according to cybersecurity researchers, as news regarding the impeachment proceedings and Burisma mounted. Experts at Area 1 remarked that the tactics being utilised by the perpetrators, known by the nickname Fancy Bear, were similar to those used in the Russian hacks of Hillary Clinton’s emails in 2016.**

**ANNA MENIN**

**AND HARRY ROBERTSON**

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**THE CITY VIEW**

FINANCIAL TIMES

**KPMG UK’S MOST SENIOR FEMALE PARTNER QUITS**

KPMG UK’s most senior female partner and deputy chair has quit the Big Four accounting firm after two decades. Melanie Richards will leave KPMG in September following a torrid two years for the business, which is battling to restore its reputation.

**THE CITYAM**

**THE CITYAM**

**MOVING ON UP The Museum of London unveils plans for long-awaited move into Farringdon’s Grade II-listed Smithfield Market**
US STOCK markets hit fresh all-time highs yesterday as investors optimistically await the signing of phase one of the US-China trade deal.

The US Treasury Department late last night withdrew its official accusation that China is a currency manipulator. Early anticipation of the move provided a boost to markets, as investors sought signs of thawing relations between the pair.

Indices were also powered up by expectations of a pick-up in profit for US companies as fourth-quarter earnings season kicks off.

The tech-heavy Nasdaq was the biggest riser, adding one per cent by close of play. The S&P 500 rose 0.3 per cent, while the Dow Jones industrial average climbed 0.3 per cent.

Tech giants Apple, Facebook, Netflix and Microsoft all drove US markets upwards. Meanwhile, Tesla surged 9.8 per cent to a record high of $524.86, surpassing the $500 per share mark for the first time.

Google’s owner Alphabet rose 0.7 per cent and narrowly missed crossing the vaunted $1 trillion (£777bn) market capitalisation threshold. Only Apple, Microsoft, Amazon and Saudi Aramco have reached this milestone. Apple, Microsoft, Amazon and Saudi Aramco have reached this milestone.

A decision on the matter is expected shortly, with many understanding him to be leaning in Huawei’s favour. British security agencies have advised that any potential risks could be mitigated by only using Huawei equipment in non-core areas.

“It would be like putting Russia in charge of anti-doping of world athletes,” a US official attending the meeting told the Financial Times.

A final decision on the matter is expected by 31 January. Huawei did not respond to a request for comment.

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**Thornberry nips in to round two of Labour battle**

Catherine Neilan

SHADOW foreign secretary Emily Thornberry scraped through to the second round of the Labour leadership contest yesterday after she secured critical support with just minutes to go.

Thornberry is one of five candidates who secured enough nominations to enter the next stage of the leadership bid, with just one contender — Clive Lewis — dropping out.

She now goes up against fellow London MP and shadow Brexit secretary Keir Starmer, Rebecca Long-Bailey, Jess Phillips and Lisa Nandy to succeed Jeremy Corbyn.

Starmer, the only man left running, is widely viewed as the frontrunner, having secured the backing of Unison — the UK’s largest trade union — early on in the campaign.

Starmer yesterday secured the backing of 89 colleagues, while Long-Bailey came in second with 33 nominations. Nandy, who has been critical of Labour’s push for a second referendum came in third after securing 23 apiece. All five candidates must now seek the backing of unions and/or local constituencies.

If they make it past the second round, they will make the final shortlist, which will see the vote open out to party members and supporters of affiliated societies.

The final decision will be announced on 4 April.

Meanwhile, first-round results also rolled in for the deputy leadership race yesterday, with Angela Rayner the favourite to replace Tom Watson, who quit during the election campaign.

Rayner is up against fellow frontbenchers Dawn Butler and Richard Burgon, as well as Tooting MP Rosena Allin-Khan and Scottish MP Ian Murray.

**Johnson insists on ‘no circumstances’ for goods checks in Northern Ireland**

Catherine Neilan

BORIS Johnson has insisted there will be “no circumstances” in which goods coming between Northern Ireland and Great Britain would be subject to checks after Brexit.

The Prime Minister, who is in Stormont after the breakthrough last week restored the powersharing executive, praised those involved for having “stepped up to the plate and shown leadership”.

He said circumstances are “very, very promising” for Northern Ireland. The breakthrough meant “now is the chance to deliver for the people of Northern Ireland… the people’s priorities,” Johnson said.

Better infrastructure, education and technology in Northern Ireland would improve things for all nations of the United Kingdom, Johnson added, stressing that he leads a government for the whole of the UK.

Asked about life after Brexit, Johnson stressed there were “no circumstances whatever in which there will be a need for checks” on goods going between Northern Ireland and Great Britain.

However he added that goods going from Britain to Northern Ireland would undergo checks if they were destined for Ireland, and if the government had failed to negotiate a zero-tariff trade deals.

**Minister kicks off green bond sale in Kenya**

Harry Robertson

THE UK’s international development secretary Alok Sharma yesterday launched East Africa’s first so-called green bond on the Kenyan securities exchange — a product developed with the help of the City and British aid.

The bond will help Acorn Housing raise local currency to build environmentally-friendly houses for students in Nairobi, Kenya’s capital.

Environmental finance has become an increasing priority for governments and companies, bolstered by climate-related events such as the Australian bushfires.

The Bank of England has led calls for UK financial institutions to address climate change.

Sharma told City A.M. that the launch of the green bond — an IOU that helps fund eco-friendly projects — was an example of the role UK aid can play in promoting environmental issues globally.

He called the launch of the bond a “landmark moment” in the relationship between Kenya and the UK.

**Brexit bill reaches House of Lords as peers vote on second reading**

Poppy Wood

It will now be subject to strict scrutiny by the House of Lords over the coming days, and will return to the Commons for further readings if peers decide to amend the bill.

Yesterday culture secretary Nicky Morgan, who backed out of the General Election, and environment minister Zac Goldsmith, who lost his parliamentary seat, were made lifelong peers in the House of Lords.

**TfL mulls landover tax to fund Bakerloo extension**

Stefan Boscia

TRANSPORT for London (TfL) is considering funding the planned £1bn Bakerloo line extension with a tax on landowners.

The proposed works would extend the line from Elephant and Castle to Lewisham via stations on Old Kent Road and New Cross Gate. However, the project has been left unfunded with no indication from central government that it will foot the bill.

It was revealed yesterday by New Civil Engineer that TfL is considering taxing landowners along the proposed route to pay for the line as they would likely benefit from increased property values from the extension.

A TfL spokesman told City A.M. that the levy is just one of several options that the transport body is exploring.
Questions arise over Flybe future

O&A

F

LYBE, the biggest regional airline in Europe, is said to be on the brink of collapse. Sky News reported the carrier is engaged in a frantic bid for emergency funding, and the government is also said to be involved in the talks – which come just four months after Thomas Cook went bust in late September.

Neither party is offering any meaningful comment on the situation – so here are some of the key questions as the airline fights to stay aloft.

WHAT DO WE KNOW SO FAR?

Less than a year after it was bought out by Virgin Atlantic, Flybe is in trouble again, with reports suggesting it is making heavy losses and looking for a cash injection to keep it aloft until the peak summer season.

Big Four auditor EY is said to have been put on notice to handle an administration process, which would put more than 2,000 jobs at risk.

Sources have suggested that the government was briefed on the situation in the last few days, with one adding that the discussions included whether it might facilitate emergency funding.

WHERE DOES FLYBE OPERATE?

The majority of UK domestic flights that do not include a London airport are operated by the airline – and it has the highest number of flights at Aberdeen, Birmingham, Glasgow, Manchester and Southampton airports.

It also flies to Dusseldorf and Paris.

However, Flybe only carries around 8m passengers a year. Compared to a major short haul carrier like Easyjet, which carries 96.1m a year, this is tiny.

HADN’T IT ALREADY BEEN RESCUED?

Yes – less than a year ago. After the airline put itself up for sale in 2018, a group comprising Virgin Atlantic, Stobart Group and US hedge fund Cyrus Capital bought it for £2.8m in March 2019.

The consortium paid £2.8m for Flybe’s operations and another £2.2m for the parent company, and vowed to rebrand the airline as Virgin Connect in 2020.

The group also said it would pour an extra £100m into making the regional carrier profitable again, and brought in a new strategy of moving away from leisure routes and focusing on family and business travel.

It also removed the least cost-efficient aircraft from the fleet, and announced a number of new routes.

Since the buyout, neither Virgin nor Flybe has released financial results for the brand. However, Virgin Atlantic chief executive Shai Weiss told City A.M. in October that turning the struggling company around, and to “keep Flybe flying”, was still a priority.

SO WHAT WENT WRONG?

Flybe has taken a serious hit from the falling value of the pound since the 2016 EU referendum. This is because a high proportion of its costs are in dollars, while most of its earnings are in sterling.

Similarly, the period of uncertainty that has struck the travel industry since the referendum has softened demand for travel in recent years.

Moreover, Flybe’s competitors have pushed it to the side in many of its traditional strongholds. It has already suffered in Bristol, where Easyjet has established itself as the major presence flying to Belfast, Edinburgh and Glasgow.

Easyjet also recently said it would start operating flights from Birmingham to Edinburgh and Glasgow – another major route for Flybe.

WHO COULD IT AFFECT?

Some reports suggest as many as 2,000 jobs would be at risk if Flybe collapses – the airline’s website says it has 2,400 employees.

The British Airline Pilots Association this morning reacted angrily to the news about the “secret” talks, saying the union had not been consulted.

Flybe has so far insisted that it is business as usual. If it were to go into administration, however, things would become less clear cut.

When Thomas Cook went bust in September, the government was forced to recruit other major airlines to replace the cancelled flights – bringing 150,000 stranded holidaymakers home to the UK in the process.

On routes operated under public service obligations, such as Newquay to London, the government would need to get another airline to step in.

But if standard procedure protocol is followed, others will not be able to get their flights, with all bookings cancelled and limited refunds made.

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Travelex restores some e-services following attack

ANNA MENIN @annamenin
FOREIGN exchange company Travelex is beginning to restore some electronic systems almost two weeks after hackers held the company’s systems to ransom, leading to a global blackout of its online services.

Staff at the foreign exchange giant had been forced to use pen and paper to serve thousands of customers after a cyber attack forced it to take all its systems offline on New Year’s Eve.

It later emerged that the ransomware gang Sodinokibi had demanded $6m (£4.6m) from the company in return for customer data, but Travelex said it had contained the virus and there was no evidence customer data had been compromised.

“We continue to make good progress with our recovery and have already completed a considerable amount in the background,” the company said in a statement.

“We are now at the point where we are able to start restoring functionality in our partner and customer service.”

As of mid-afternoon yesterday, the company’s global websites were still offline. Travelex said it had restored some internal and order processing systems, and was providing refunds to customers “where appropriate”.

The currency trader has a presence in over 70 countries, and provides foreign exchange services for the customers of HSBC, Barclays, Virgin Money, and Tesco and Sainsbury’s banking arms.

The company said yesterday it would continue to communicate with partners about restoring services and “provide a roadmap” outlining its next steps, and had been able to honour most online orders for collection in store. The firm is working with authorities including the National Cyber Security Centre and Metropolitan Police, it said.

Relx snaps up ID Analytics for $375m in bid to boost fraud-spotting capabilities

ANGHARAD CARRICK @angharadcarrick
EUROPEAN information provider Relx yesterday agreed a deal to buy ID Analytics from Norton LifeLock, marking its third-largest acquisition in over a decade.

Relx — which uses data analytics to help companies make decisions — has undergone heavy transformation in the past few years after selling off the bulk of its print publications to focus on data development.

ID Analytics helps companies identify customers who want to set up new accounts that might be used fraudulently, and uses data to produce credit scores for customers who have limited credit files.

It will become part of Relx’s risk and business analytics unit, and will operate under the Lexis Nexis Risk Solutions brand.

The purchase of the data firm will help Relx — which has a market valuation of £17bn — create a “comprehensive approach to detecting and preventing fraud and managing risk,” said Rick Trainor, chief executive of Lexis Nexis Risk Solutions.

Relx shares rose 0.8 per cent to 1946.5p on the news yesterday.

EY UK boss takes up new global sustainability role

JAMES BOOTH @Jamesbooth1
EY YESTERDAY announced the appointment of its UK and Ireland boss to a new position as global vice chair for sustainability.

Steve Varley, who is chairman and managing partner of the Big Four firm in the UK and Ireland, will relinquish the latter role when he takes up his new job on 1 July.

Varley will continue to chair EY UK and Ireland, but will be replaced as managing partner.

Varley informed EY partners of the change in a memo yesterday, Sky News reported.

The memo said the process to choose his successor will start next month and conclude in March.

Varley said: “We simply cannot stand still when it comes to protecting the environment and creating growth opportunities.”

Dip in German car production hurts economy

ANGHARAD CARRICK @angharadcarrick
A SHARP decline in automotive production in Germany weighed on the economy last year, according to a report published yesterday.

A report released by the Munich-based IFO Institute showed that the German automotive workforce shrank 1.3 per cent last year — a much sharper decline than the 0.2 per cent dent in the rest of the manufacturing industry.

The steep decline halved the rise of Germany’s economic output by 0.75 per cent in 2019, the IFO said.

It cited a 16 per cent rise in German imports of passenger cars from the EU, and the increasing relocation of German car production outside the country as the main reasons for the production slump.

Germany has been forced to start converting its car production sites to suit electric car manufacturing, as EU emissions targets weigh on the industry. It has had to relocate most of its car production to factories in other European countries.

“Structural change is now leaving its mark on the labour market,” said Timo Wollmershaeuser, head of forecasts at IFO.

Barr criticised Apple for providing no “substantive assistance” to US authorities

EMILY NICOLLE @emilynicolle
US ATTORNEY General William Barr yesterday petitioned Apple to unlock the iPhone of a suspect involved in a deadly shooting last month, pushing forward a debate surrounding the Californian tech firm’s right to respect its users’ privacy.

At a press conference for the 6 December shooting at a US military base, Barr asked Apple to provide access to two phones used by the gunman.

“This situation perfectly illustrates why it is critical that the public be able to get access to digital evidence,” Barr said. He added that Apple had yet to provide “substantive assistance”.

Apple has said it cannot bypass the security built into its phones.

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Confidence uncovered

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Beales in crisis talks to stave off chain’s collapse

STRUGGLING department store chain Beales is in crisis talks with potential buyers in an effort to stave off a collapse that could cost hundreds of jobs.

The talks come after the Bournemouth-based firm on Sunday filed notice of its intention to appoint administrators to step in as a last resort if a sale falls through.

Beales, which was founded in 1881, is speaking to a rival retailer as well as a venture capital company. A deal could be struck by the end of this week, Beales chief executive Tony Brown told the Financial Times yesterday.

Last month Beales, which has 22 department stores across the UK, appointed KPMG to launch a strategic review and assess a potential sale of the business.

Brown yesterday accused local councils of failing to help struggling high street retailers.

The chief executive said local authorities “really don’t care” about high street stores as landlords will continue to pay business rates in the event of the retailer’s failure.

“We’ve only managed to get one council to help us out on a temporary basis,” Brown told the BBC.

“Landlords — not all of them but predominantly most of them — have been helpful and they see a long term.

“Don’t get me wrong, the high streets do need to develop but there has to be a timescale on which that’s done by.

“At the moment, in my view councils really don’t care, because they get their business rates, whether we’re there or not because the landlord pays if the store closes”.

Retailers have repeatedly called on the government to reform the business rates system, as high street stores face rising costs and a drop in consumer footfall.

In December the chain said it is seeking investment to implement further cost saving strategies as it “continues to acclimatise to the ever-changing landscape and challenges of the retail market”.

MALL TALK Harrods security guards vote on strike action in long-running pay dispute

HARRODS security guards started balloting for strike action yesterday after a dispute between union members and management over pay. Members of Unite will decide whether to launch industrial action over a below-inflation pay rise.

Tiktok mulls new curated feed in bid to win back advertisers’ trust

TIKTOK is said to be mulling the launch of a curated content feed as the Chinese social media app looks to assuage advertiser fears over harmful material posted to its platform.

The video-sharing firm is weighing up plans for a new stream that would contain carefully vetted content from so-called Tiktok creators or professional publishers, the Financial Times reported, citing three people familiar with the matter.

The move would allow Tiktok, which is owned by Chinese tech giant Bytedance, to charge higher advertising rates to premium brands. The video app, which is popular with teenagers and has racked up more than 1bn users, has come under fire in recent months over concerns about harmful content, cybersecurity flaws and potential censorship by Beijing.

A gated content stream would mirror a similar initiative by rival social media firm Snapchat, which launched its Discover section in 2015.

Atlantia plans to appoint joint chief executive to up focus on overseas

ITALIAN infrastructure group Atlantia is expected to appoint Carlo Bertazzo, general manager of the Benetton family holding company which controls the group, as chief executive for Italy, two sources with knowledge of the matter said yesterday.

One of the sources said that the company was due to hold an extraordinary board meeting yesterday at which Bertazzos’s appointment as chief executive was on the agenda.

Bertazzo, who also sits on the board of telecom masts group Cellnex and toll road group Abertis, has been working since 1994 for Edizione, the holding company of the Benettons, which control Atlantia through a 30 per cent stake.

Atlantia’s long-serving chief executive Giovanni Castellucci resigned last September amid the fallout from the deadly collapse of a bridge operated by the group’s motorway unit Autostrada per l’Italia in 2018, in which 43 people died.

The firm did not announce a successor after Castellucci’s departure but it is expected to name two leaders – one responsible for operations in Italy and the other to focus on overseas.

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China’s car sales drop for second successive year

ALEX DANIEL
@alexmdaniel

THE CHINESE car market was in reverse for the second consecutive year in 2019, as the cooling economy and the nation’s trade disputes with the US hit consumers, data released yesterday showed.

Sales slumped 8.2 per cent to 25.8m vehicles last year, after a 2.8 per cent fall to 28.1m in 2018, according to the China Association of Automobile Manufacturers.

The slowing of the Chinese market has hit manufacturers hard.

Yesterday, Ford said its China auto sales slumped more than a quarter in 2019 for its third year of decline.

The latest fall, however, was slower than the 37 per cent weathered in 2018, and the car maker said it saw its market share stabilise in the high-to-premium segment.

It remained cautious about 2020, echoing bearish comments on China’s market from General Motors.

“We expect the market downturn to continue in 2020, and anticipate ongoing headwinds in our China business,” Matt Tsien, president of GM China, said last week as the US manufacturer reported a 15 per cent drop in 2019 China sales.

Sales of electric cars also struggled last year, after Beijing slashed government subsidies last June by more than half, prompting manufacturers to cut-back on production.

This prompted a number of manufacturers to wind down production.

Sales of new energy cars fell four per cent year on year to 1.2m in 2019 – far below the government’s target of 1.6m.

Volkswagen, whose SUVs helped it report a smaller 1.1 per cent year-on-year fall in sales in the first 11 months of 2019, has said it expects China’s market to grow at a relatively slow pace for the next five years.

Analysts at London Capital Group said the faltering market would continue hitting manufacturers hard.

“Under the weight of falling vehicle sales, a slowdown in China and the trade war, it’s hard to see where earnings growth materialises for automakers in the New Year,” they said.

Motor manufacturers set to face £14.5bn emissions fines in 2021

EDWARD THICKNESSE
@edthicknesse

EUROPE’S top 13 car makers will face fines of up to £14.5bn (£12.4bn) for missing their 2021 emissions targets, according to a new forecast from PA Consulting.

After four years of decreasing emissions, a rise in the number of customers buying SUVs, stronger demand for high-powered cars, and a shift in preference to petrol cars has seen emissions climb.

Volkswagen could be hit by a fine of as much as £4.5bn as a result of its high sales volumes across Europe.

In terms of profit, Jaguar Land Rover is on track for the biggest blow, with a fine of £93m forecast, equivalent to 400 per cent of the companies 2018 profit.

PA’s analysis ranks each manufacturer against their carbon dioxide emissions forecast for 2021.

“The good news is that there are many options open to car makers to reduce emissions and minimise future fines.”
William Hill set to beat 2019 forecast

JESS CLARK
@jclarkjourno

WILLIAM Hill announced yesterday that it beat profit expectations last year due to “favourable sporting results”, as the gambling chain revealed that its finance chief is set to step down.

The company said full-year adjusted operating profit for 2019 is expected to be between £143m and £148m, ahead of both market and management expectations, driven by a strong gross win margin.

William Hill also announced that chief financial officer Ruth Prior will step down as a director after more than two years with the firm to join Element Materials Technology in the same role.

In a trading update yesterday the company said its retail business generated operating profit above the guidance of £50m to £70m. The betting firm’s UK online business grew in line with the market for the third consecutive quarter, and a weakness in gaming net revenue was offset by the gross win margin.

The performance of the company’s international online division was mixed, and net revenue is expected to be flat. The company’s US business, meanwhile, continued to grow in the fourth quarter.

Investor bets on infrastructure spending bump

HARRY ROBERTSON
@harryrobertson

INVESTMENT firm Sandton Capital Partners has allocated £100m for acquisitions in the UK infrastructure sector, it said yesterday, ahead of what is expected to be an expansive Budget from chancellor Sajid Javid in March.

The Conservatives campaigned on a promise to increase investment across the country, particularly in poorer areas, with a focus on infrastructure such as rail and road projects.

The party’s emphatic election victory puts Javid in a strong position to increase spending on the regions when he holds a Budget on 11 March.

Sandton said in a statement that is sees “great potential for growth in infrastructure, in particular the subsectors of rail, highways, utilities and power”.

Sandton describes itself as an investment firm that provides alternative debt and equity capital to challenged but viable companies with growth potential.

UK head of Sandton Matt Meehan said: “We are seeing encouraging signs for the UK infrastructure sector which has been hit by challenging trading conditions.”

He said Sandton, which was founded in 2009 and has offices in London and across Europe, wants to “ensure we are doing everything we can to assist it and ensure businesses are poised to take advantage of the opportunities that present themselves”.

The environment, public services and the cost of living are expected to be prioritised at the Budget, and Javid will also introduce new fiscal rules, as outlined during the election.

Javid said yesterday that the Budget’s increased spending will “lay the foundations for a decade of renewal”.

Lululemon raises its quarterly profit outlook

JESS CLARK
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EXERCISE clothing retailer Lululemon raised its quarterly profit outlook yesterday after a strong sales performance over the important Christmas trading period.

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Shares in the retailer jumped 4.4 after it announced that profit per share for the quarter to 2 February is expected to be $2.22 to $2.25.

The company’s share price almost flat at 7,650p yesterday. Shares in the retailer jumped 4.4 after it announced that profit per share for the quarter to 2 February is expected to be $2.22 to $2.25.

The condition is often a forerunner of heart disease.

Astrazeneca had hoped the drug would also prove effective in treating mixed dyslipidemia — another condition which increases the risk of heart disease.

“It was important to assess the potential benefit of Epanova in mixed dyslipidemia,” said Mene Pangalos, executive vice-president of biopharmaceuticals research and development at Astrazenca.

“We are disappointed by these results, but we remain committed to addressing the needs of patients in the cardiovascular space where we have an extensive pipeline.”

Astrazenca bought Epanova through its 2013 purchase of Omthera Pharmaceuticals.

Then, it said there was a “clear need” for alternative treatments for people with high levels of triglyceride in the bloodstream, as obesity and diabetes continued to become more frequent in the US.

The firm said the trial results would have no bearing on the drug’s use in treating severe hypertriglyceridaemia.

The loss failed to dent Astrazenca’s shares, which closed almost flat at 7,650p yesterday.

Astrazeneca in for $100m hit as drug fails trials

ALEX DANIEL
@alexmdaniel

ASTRAZENECA is in line for a $100m (£77m) hit after a heart disease drug was shown to be ineffective in treating certain heart conditions.

After the disappointing results, the drug manufacturer said it would stop running trials on the drug, known as Epanova.

It also said that it would review its $533m value on the company’s balance sheet.

Epanova is used in the United States to treat hypertriglyceridaemia — a condition which involves high levels of certain fats, known as triglycerides, in the bloodstream.

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Ferrexpo shares tower as firm hails ‘strong margins’ over the last year

EDWARD THICKNESSE
@edthicknesse
SHARES in iron ore pellet maker Ferrexpo surged over eight per cent yesterday on the back of strong margins in 2019, despite a slowdown in pellet production.

In a trading update the FTSE 250 firm said that it had produced 10.5m tonnes of pellets in 2019, down from 10.6m in 2018. However, the Swiss company said that prices were up 16 per cent over the last 12 months, which had offset a $3 rise in production prices from $42 to $45. Sales volumes also saw a small rise from 10.2m to 10.3m, with net debt at $282m. The company has declared an interim special dividend of 6.6 cents as a result of its strong cash generation.

A prolonged trade dispute with the US hit Chinese demand for steel, with falling prices for steel making ingredients such as iron ore the result. China is one of the world’s top producers of steel, although demand is expected to fall 0.6 per cent in 2020.

Last year the firm, which has assets in Ukraine, twice delayed its full-year results, after it revealed that some of the funds it gave to a charity in the country might have been misappropriated.

Phony investors trick Lekoil into loan agreement

EDWARD THICKNESSE
@edthicknesse
AIM-LISTED oil explorer Lekoil yesterday had its shares suspended after individuals purporting to be investors tricked the firm with a fake loan deal.

The West Africa-focused firm was approached by people it believed were representatives of the Qatari Investment Authority (QIA), who agreed a $184m (£141.6m) loan with the company on 2 January.

The loan, which was for drilling and development work on the Ogo Field off Nigeria, was agreed with the individuals with an annual interest rate of 3.72 per cent.

In a statement yesterday, the firm said the deal “seems to have been entered into by the company with individuals who have constructed a complex facade in order to masquerade as representatives of the QIA”.

The company said it would contact the relevant authorities across a number of jurisdictions without delay over the attempt to defraud Lekoil, as well as conducting its own investigation.

Sources close to QIA had previously said that the organisation had no knowledge of any loan.

Lekoil said that its financial exposure stood at $600,000, which it paid to Seawave Invest, the firm that introduced it to those “purporting to be the QIA”. The firm said it had started an investigation into Seawave and would attempt to recover the $600,000 in question.

Seawave Invest, which lists addresses in both Ghana and the Bahamas, did not respond to requests for comment.

CITY OF WESTMINSTER
LONDON LOCAL AUTHORITIES ACT 2000
PART V - REGULATION OF BUSKING

Notice is hereby given that Westminster City Council (‘the Council’) intends to pass resolutions pursuant to the London Local Authorities Act 2000 (‘the 2000 Act’) to regulate busking in Westminster.

The draft proposals involve the application of Part V of the 2000 Act to two areas of Westminster, namely (1) Oxford Street and (2) Piccadilly Circus, Chinatown and Leicester Square, on the basis that the Council has reason to believe that there has been, is being or is likely to be caused, as a result of busking (a) undue interference with or inconveniences to or risk to safety of persons using a street in those areas or other streets within the vicinity of those streets; or (b) nuisance to the occupiers of property in or in the vicinity of a street in those areas.

It is proposed that busking will be prohibited in those areas apart from busking that will be licensed in eight designated areas or pitches that will be designated as licence streets.

The draft resolutions currently proposed will be as follows:

(1) The creation of a Busking and Street Entertainment Policy, Code of Conduct, and a dedicated Buskers and Street Entertainers Forum.
(2) Supporting established self-regulation of busking and street entertainment in Covent Garden with enhanced council officer presence to encourage compliance outside of The Street Performers Association (SPA) operating area and times.
(3) Piloting newly established self-regulation of busking and street entertainment in Trafalgar Square by promoting the Code of Conduct, having a Memorandum of Understanding with the buskers and street entertainers, and establishing and monitoring pitches.
(4) Adoption of Part V of the London Local Authorities Act 2000 for the control and regulation of busking and street entertainment in designated streets and areas.
(5) The making of regulations pursuant to section 36 of the 2000 Act prescribing the information that must be provided by applicants for the grant of a licence and the procedure for determining applications.
(6) The making of regulations pursuant to section 40 of the 2000 Act prescribing standard conditions applicable to all busking and street entertainment licences.
(7) Carrying out ongoing and quarterly monitoring, and an annual review after one full calendar year of operation.

Information regarding the proposed busking policy and implementation of Part V of the 2000 Act (including detailed maps of the areas where busking will be prohibited or licensed) will be kept at the following Council Libraries (Westminster Reference Library and Marylebone Library) and can be found on the Council’s website address: https://www.westminster.gov.uk/busking.

Representations or a request to hear representations relating to the proposed resolutions may be made in writing to the Council until 24th February 2020 via the web page above or by post to Busking Consultation, PPC, 17th floor, Westminster City Hall, SW1E 6QP. Dated: 14th January 2020.
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Hong Kong's finance secretary has said its government is considering a more “competitive” tax arrangement to attract private equity funds to the territory and help support its struggling economy.

Speaking at a regional finance forum yesterday, finance secretary Paul Chan said Hong Kong's banking system was running smoothly and had ample liquidity despite the “unprecedented” turbulence it is facing. Chan did not offer any further details on what measures the territory could take to attract private equity funds.

The financial hub’s economy slipped into its first recession in a decade in October following months of often violent anti-government protests, with demonstrators calling for greater independence from Beijing.

Hong Kong’s most senior judge yesterday made a public plea for the rule of law to be protected in the territory.

“The rule of law is rightly cherished by the community and is the foundation of a cohesive society,” chief justice Geoffrey Ma said during an event with Hong Kong and mainland Chinese lawyers.

“We do all our best to preserve it and to treasure it because once damaged, this is not something from which our community can easily recover,” added Ma, who due to step down at the end of this year.

Hong Kong’s judiciary, which underpins the territory’s semi-autonomous status under the “one country, two systems” framework, is coming under strain following the over 7,000 arrests made during recent demonstrations. Ma and his justices are widely regarded as symbols of Hong Kong’s strength, and have been credited with helping make the region a key global financial hub.

Authorities warned that an eruption at Taal volcano could trigger a tsunami.

Volcano halts Philippines capital amid fears of imminent eruption

KAREN LEMA

SCHOOLS and businesses shut across the Philippine capital of Manila yesterday as a volcano belched clouds of ash across the city and seismologists warned an eruption could happen at any time, potentially triggering a tsunami.

Thousands of people were forced to evacuate their homes around Taal, one of the world’s smallest active volcanoes, which spewed ash for a second day from its crater in the middle of a lake about 45 miles south of central Manila.

The stock exchange suspended trading and government offices were closed. More than 500 flights have been cancelled or delayed.

China: Taiwan secession ‘will leave a stink’

EDWARD THICKNESSE

CHINA’s top diplomat has said that Taiwanese separatists would “leave a stink for 10,000 years” as Beijing reacted to the re-election of President Tsai Ing-wen.

Tsai was re-elected by a landslide majority over the weekend on a platform of standing up to the mainland government.

In her victory speech, Tsai said that Taiwan would not be threatened with Chinese intimidation, and that its people had a right to self-determination.

Speaking in Africa, Chinese state councillor Wang Yi said that the international community had long accepted the so-called one China principle that sees the island state as part of mainland China.

He said: “This consensus won’t alter a bit because of a local election on Taiwan, and will not be shaken because of the wrong words and actions of certain Western politicians.”

The Chinese government has increased focus on forcing the state to submit to Beijing, and has been angered by US support for the island’s independence.

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**City Pub Group warns 2019 results to fall short of profit expectations**

**JESS CLARK**

THE CITY Pub Group yesterday warned that 2019 profit will fall short of expectations after “one-off factors”, including political uncertainty and strikes on London commuter train services, impacted performance over the Christmas trading period.

The firm’s share price fell 11.4 per cent at market close, after it announced that earnings before interest, tax, depreciation and amortisation (Ebitda) for the year to 29 December will be ‘slightly below expectations’ at between £0.1m and £0.2m.

In a trading update yesterday the pub operator said political uncertainty held back sales until the result of the General Election was announced in mid-December.

The company also said the Rugby World Cup did not boost sales as much as expected, and strikes on South Western Railway services in December hurt the performance of its London pubs.

A delay in opening two Jam Tree pubs that were opened in 2019, including Aragon House in Parsons Green — the most successful pub the firm has ever opened.

**Khan launches a new renewable energy provider**

**STEFAN BOSCIA**

SADIQ Khan launched his own green energy company yesterday, claiming it will save the average household £300 a year on bills.

The mayor of London will run London Power, in conjunction with Octopus Energy, as a part of his Energy for Londoners programme.

The company — whose services will only be available in London — will retail all its tariffs “into community projects”.

The service will be provided by Octopus Energy and will rely on 100 per cent renewable energy.

Khan said the new provider would be within the cheapest 10 per cent of similar tariffs in the market and would save the average household £300 on bills.

“It is a disgrace that many Londoners pay too much to heat and light their homes, with more than a million living in fuel poverty,” he said.

“For the first time we have a fair, affordable, green energy company specially designed for Londoners.”

London Power enters a market that is already home to 64 active suppliers, according to Ofgem.

The energy market watchdog’s 2019 report on the energy market found that 53 per cent of consumers had never switched energy companies.

However, the figure for ‘London’ — where energy prices are among the most expensive in the country — is not known, Peter Earl, head of energy at Compare the Market, said he welcomed the extra competition in the sector, but that it may be difficult to attract new customers.

“IT’s an industry challenge to activate the large section of people who have never changed their energy company,” he said.

“Khan’s got an offering that should be attractive to people, but it’s not going to be easy.”

The formation of London Power won plaudits from green energy advocacy groups the Renewable Energy Agency (REA) and National Energy Action.

Caroline Russell, Green party leader in the London Assembly, on the other hand, said Khan’s plans did not go far enough. She said the mayor should have set up the company without the help of Octopus Energy so City Hall could have greater power over the company’s energy resources.

**Banks lobby Aramco for ‘incentive fee’ after slim pickings from listing**

**HADEEL AL SAYEGH**

GLOBAL banks who worked on Saudi Aramco’s record initial public offering (IPO) are pushing for an additional “incentive fee”, three sources familiar with the matter said, as they try to boost relatively low earnings from the deal.

Aramco said on Sunday it had exercised a so-called greenshoe option to sell an additional 450m shares, raising the size of its IPO to $29.4bn (£22.6bn) — the world’s biggest listing to date.

But the energy giant’s earlier decision not to market the deal internationally means most banks involved in selling Aramco’s shares will earn less than $5m each, according to two of the sources — a low amount for such a large deal.

Now banks are in discussions with Aramco for the payment of the “incentive fee” under a clause in the contract that gives the Saudi government the discretion to pay banks an extra sum if the listing went well.

The payment of incentive fees is increasingly common for IPOs in Europe and the US but rare in the Gulf. The sources did not say how much extra the banks could be paid, although it would likely vary between institutions.

The firm is set to open new pubs in Exeter, Cambridge and Bath later this year.
LEADING THE PACK
Joker scoops the most Oscar nominations with 11 film award nods

WARNER Bros’ Joker yesterday led nominations for the Oscars with 11 nods, including

ANNOUNCEMENTS
LEGAL AND PUBLIC NOTICES

JEEFFREY DASTIN
AMAZON is planning to give more data on counterfeit goods to law enforcement in a further crackdown on fakes listed on its e-commerce sites, a person familiar with the program told Reuters yesterday.

The move comes as Amazon faces public scrutiny over how it polices counterfeiters and allegedly unsafe products on its platform. Fakes have long frustrated top labels such as Apple and Nike, discouraging some from selling via Amazon.

In past years, the world’s largest online retailer has informed authorities of counterfeit peddlers when it thought it had enough information for police to pursue a culprit. However, the company plans to disclose merchant information to European and US federal authorities every time it confirms a counterfeiter was sold to customers, increasing the frequency and volume of reporting to law enforcement.

Now, the company plans to disclose merchant information to European and US federal authorities every time it confirms a counterfeiter was sold to customers, increasing the frequency and volume of reporting to law enforcement.

In recent weeks, Amazon has held meetings with government authorities and related organizations to discuss its new counterfeit reporting strategies and how the company can further its enforcement efforts, the person said. The company believes Amazon’s data will help law enforcement make connections about criminal activity.

Amazon will report a merchant’s name, company name, product and contact information to authorities. Agencies will get the data under different parts of agreements.

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ANNOUNCEMENTS
LEGAL AND PUBLIC NOTICES

HARRY ROBERTSON
BRITISH builders’ merchant Travis Perkins has sold its plumbing and heating business to distribution group Newbury Investments for £46m, it said yesterday.

The sale comes just four months after Travis Perkins halted the sale of the unit, blaming “unprecedented uncertainty.”

The deal, which the building materials supplier said would help pay down its debt, is part of a strategy to review the complexity of the company.

Travis Perkins chief executive Nick Roberts said: “The divestment of our wholesale plumbing and heating business is a further step in reducing the group’s overall complexity.”

He said it would enable “greater focus and more disciplined capital allocation.”

Shares in Travis Perkins were 0.8 per cent higher at 1.58p at the bell yesterday.

The building merchant said it expects the deal to be completed at the end of this month.

As part of its streamlining drive, Travis Perkins is also planning to spin off its Wickes division, which specialises in DIY.

Travis Perkins sells off plumbing unit for £46m

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The sale of part of the Wickes business is likely to spark bids from the likes of Kingfisher, which owns B&Q, and Wickes itself, controlled by the Swedish private equity firm EQT.

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FTSE towers as US-China trade deal advances

LONDON’s main stock index gained yesterday, in step with global peers, as investors took heart from the imminent signing of a phase one US-China trade deal, while hopes of further interest rate cuts by the Bank of England helped the midcaps outperform.

The FTSE 100 added 0.4 per cent, having earlier touched its highest level so far this year, as trade hopes were complemented by easing Middle East tensions. The FTSE 250 outshone the bluechips and the european benchmark with a 0.7 per cent rise on its best day since 2 January. A Bank of England policymaker said over the weekend that he would vote for policy easing later this month unless economic data improved significantly.

Data showing Britain’s economy grew at its weakest annual pace in over seven years in November also fanned hopes of a rate cut. The midcaps were also boosted by a 7.1 per cent jump in Pennon after a bloomberg report claimed that the company had rejected private equity firm KKR’s bid for the UK utility’s waste management unit.

Its shares hit an all-time high and helped those of bluechip peers United Utilities, Severn Trent and Centrica gain more than two per cent each. Housebuilders climbed higher, led by a 2.2 per cent rise in Taylor Wimpey. After upbeat forecast and bullish comments from real estate services provider Savills. Savills’ shares leap 7.2 per cent to scale a record high. Focus now shifts to Washington, where the United States and China will ratify their preliminary trade deal tomorrow, while the corporate earnings season also kicks off this week.

Retailers were among steepest gainers yesterday, in step with a currency manipulator, adding to the Trump administration planned to lift its designation of China as a currency manipulator, adding to the trade dispute. Investors are awaiting earnings from big banks. JP Morgan, Citigroup and Wells Fargo kick off the fourth quarter reporting season today.

Many investors, however, are already looking ahead to a potentially rosier earnings outlook once Washington and China resolve their trade dispute. The Dow Jones Industrial Average rose 0.29 per cent to end at 28,907.02, while the S&P 500 gained 0.70 per cent to 3,288.13, its highest close ever.

The Nasdaq Composite jumped 1.04 per cent to 9,273.93, also a record high. Aerospace companies Hescox and Woodward jumped 9.6 per cent and 4.8 per cent, respectively, after the two Boeing suppliers said they would combine in an all-stock merger valued at $46bn. Tesla surged 9.8 per cent to a record high after a report that China would not make significant cuts to subsidies for new energy vehicles this year, while Oppenheimer boosted its price target on the stock.

Wall St nears a record high on fresh optimism

TECH favourites propelled Wall Street to record highs yesterday, fuelled by optimism about the signing of a preliminary US-China trade deal, as well as upcoming fourth-quarter earnings reports. Apple. Facebook, Netflix, Microsoft and Amazon, which have provided the longest bull run in US equities, were among the top contributors to record closes for the S&P 500 and Nasdaq.

Apple rose 2.14 per cent to close at a record high. Also reaching a record high, the S&P 500 added 0.8 per cent, bringing its market capitalisation to $593bn (£464bn).

An easing of Middle East tensions and the phase one US-China trade agreement, which is expected to be signed in Washington tomorrow, have encouraged riskier bets over the last week. Bloomberg, citing sources, reported that the Trump administration planned to lift its designation of China as a currency manipulator, adding to the trade deal.

Wall Street and China resolve their trade dispute.

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In politics as in football, a star transfer player isn’t enough

Robert Colville

A Rebecca Long-Bailey or Richard Burgon may talk a great game about how they share the club’s values, but sooner rather than later, you’ll be desperate to offload them

Unleash the digital economy: Three ways the PM can spur technological progress

Kulveer Ranger

S Farage, the new government has yet to unveil its detailed plan for building a stronger, reborn Britain, a red, white and blue vision of prosperity, jobs and freedom. Because just in case you need to know, with these key priorities that will enable businesses and individuals alike across the UK to “plug in” to the digital age, and prosper.

1. First, we must address the level of regional inequality when it comes to digital investment. Between 2015 and 2018, London received £9bn in tech investment. The second closest UK city was Cambridge, receiving just £583m. This is an unacceptably large gap.

2. Britain is home to technologies which are addressing some of society’s biggest challenges, from the aging population to climate change, but too many are housed in and around the capital. More funding to develop world-class digital clusters outside London, and tax and regulatory incentives for businesses within them, will support innovation while creating local jobs and attracting the best global talent beyond the M25.

3. Second, we must increase levels of knowledge and skills, allowing more businesses to be transformational to many smaller businesses, dramatically increasing their size and productivity, but they simply do not have the expertise to take full advantage of it.

A new service which helps smaller businesses adopt technologies such as cloud computing, artificial intelligence and digital identity software could be established through existing channels such as Tech and Enterprise Partnerships, enabling firms to easily access support that enables them to level up.

Finally, we must ensure that businesses have the financial relief they need to grow. We need to see a “sudden invasion of huge tribes of Muslims from the Middle East”.

LETTERS
RIP Roger Scruton

One headline announced the sad news as “Conservative philosopher Roger Scruton dies at 75”. But to describe Roger Scruton as a conservative thinker is to underestimate the breadth of his influence. At Conservative Philosophy group meetings, he often encouraged others to think about defining “a philosophy of conservatism” and “not a philosophy for the Conservative party”.

In defining his own thoughts, Roger compared conservatism to its historical rivals: liberalism and socialism. For him, liberalism was the product of the Enlightenment and for which society as a contract and the state as a system of guaranteeing individual rights. By contrast, he saw socialism as the product of the industrial revolution, which sees society as an economic system and those as a means of distributing social wealth.

Roger felt that conservatives learned many of their key lessons from socialism, but he cautioned that freedom should also entail responsibility, manifested in public spirit and virtue. He regarded conservatives for allowing themselves to be caricatured as leaving social problems to the market, but also felt that the markets were not necessarily expressions of freedom, as defined.

Perhaps his conservative philosophy was best summed up when he wrote “Liberals seek freedom, socialists equality, and conservatives responsibility. And, without responsibility, neither freedom nor equality can last.”

Syed Kamall, academic and research director, Institute of Economic Affairs

BEST OF TWITTER

In the 1980s, Roger Scruton organized money and books for dissidents in Eastern Europe. I was one of the student couriers who helped smuggle them “across the iron curtain.” I am still grateful for what Roger did for them and for our freedom.

@anneapplebaum

Lots of tributes to the late Roger Scruton tonight. I’m not questioning his work in his academic contributions and I am sure he was a fine friend to many. He also referred to Syrian refugees in Hungary as a “sudden invasion of huge tribes of Muslims from the Middle East.”

@medhihasan

There’s a very good chance that a woman who was the first time in Labour’s history, come as high as second in a leadership contest.

@beebpol

Harry and Meghan latest: World enters sixth day of coming to terms with 35-year-old man moving out of his nan’s house.

@haveigotnews
Farming isn’t outdated, it’s sowing the seeds of our future

N HIS Channel 4 documentary last week “Apocalypse Cow” and the accompanying oped, the journalist George Monbiot both predicted and celebrated the end of farming. “After 12,000 years of feeding humankind”, he wrote, “all farming except fruit and veg production is likely to be replaced by farming: brewing microbes through precision fermentation.” He went on to say that food production was “ripping the living world apart”. New technologies, Monbiot argued, will soon make dietary arguments irrelevant, and most of our food will come from “unnatural life”. Monbiot is right to say that we are on the cusp of a huge technological revolution in agriculture — but it won’t be this. The kind of food production he describes may one day have its place in our societies. But not only is it expensive and difficult to scale up — there is no evidence whatsoever that there is a consumer market for this kind of food.

Rather, the imminent revolution is taking place within farming itself. The story of agriculture, which gave rise to the first civilizations, is one of constant change. Over thousands of years, driven by necessity and a natural human affinity for the land, farming practices have evolved and efficiency has risen. Whereas once it was forecast that population growth would lead to mass food shortages and starvation, farming has consistently risen to meet the challenges of the day.

You only have to look at the progress in the UK of the last 25 years to see this in action. We’ve become far more efficient with our use of resources — and are using far less fertiliser and pesticide for the same yield. In 2018, there were 3.2 million hectares of land within a UK government scheme to promote biodiversity and wildlife habitats. And animal welfare has improved significantly with the growth of free range products.

Imagine where we could be 25 years from now. A the heart of future food production will be a drive to bring farming into harmony with nature. There is rising interest in regenerative agriculture, agro-ecological practices and organic farming, but even conventional agriculture, through the use of technology and precision farming, is becoming more sustainable.

And of course, data will play a growing role in maximising sustainability. This is already the situation in horticulture, which makes the precise management of high-value crops possible.

The next frontier is the creation of advanced artificial intelligence, enabling remote decision-making, highly precise nutrient use and diet formulation, all of which will increase efficiency while dramatically reducing waste and environmental impact. Farms will begin to disappear, to be replaced by small intelligent machines able to work in all conditions and perform diverse tasks.

The government’s new environmental land management scheme will further encourage the creation of conditions that support biodiversity, improve soil and water quality, and limit flooding and ecological damage.

This isn’t futuristic sci-fi — these technologies already exist and will only prove. Meanwhile, Monbiot paints a gruesome picture of bacterial sludge being turned into food, exalting a technology that is in its infancy and has yet to produce anything approaching complex taste, texture or nutrition.

He is throwing the baby out with the bathwater, arguing that because of its flaws — flaws which farmers are addressing, farming, the wholesome food it produces, and the tens of thousands of jobs associated with it should be consigned to history. This is unnecessary. We are making progress and will continue to do so. One wonders why Monbiot does not use his platform to help us improve existing agricultural practices, rather than to try to engineer the industry’s destruction. Farmers want to feed the nation and protect the environment. We should all be on their side.

Mark Bridgeman is president of the Country Land and Business Association.

Monbiot paints a gruesome picture of bacterial sludge turned into food

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<table>
<thead>
<tr>
<th>Index</th>
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### Commodities

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### Index Components

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<td>BT Group</td>
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Luke Graham looks at how oil markets are coping with rising tensions in the Middle East

For good or ill, oil remains the lifeblood of the global economy. It is essential to industrial production, to how we transport goods (as well as ourselves) around the world, and how we heat our homes and generally go about our everyday lives.

Rising oil prices can therefore act as a handbrake on global growth, as the increased costs cut into the profits of manufacturing and other industrial activity, or reduce the amount of disposable income that consumers have when they aren’t fuelling their cars.

So the recent volatility in oil prices caused by rising tensions in the Middle East is a major concern for markets around the world. The price for Brent crude rose as high as $71.75 per barrel at one point last week, before ending on Friday below $65.

The price spike was triggered by the death of Iran’s top general Qassem Soleimani. The US-approved killing of Soleimani on 3 January sent fear rippling through world markets that this was the first step in an escalating military conflict that could spill out across the Middle East—the source of much of the world’s oil production.

Iran retaliated by firing ballistic missiles at air bases housing US forces in Iraq. While the attack was not free of consequences (Iran later admitted to “unintentionally” shooting down a Ukrainian passenger jet, killing 176 people) the lack of US casualties thankfully seems to have allowed both sides to back down from further escalation, at least for now.

The easing of tension by the end of last week meant that oil prices were able to settle down and stock markets to rise, with some indices like New York’s S&P 500 and Nasdaq set-

TRADING & INVESTMENT

Higher prices will hit consumers and businesses, which is the last thing that Trump wants before the election.

“President Trump has backed away from military confrontation, as increased tensions in the Middle East and higher oil prices will hit both consumers and businesses, which is the last thing that he wants before the November presidential election,” adds Sayed.

It is also worth remembering that the Middle East is not the only source of oil. Thanks to the shale gas revolution and the development of thePermian Basin in Texas and New Mexico, the US is now a net exporter of oil. So if oil production in the Persian Gulf were significantly disrupted or reduced, America may be able to step in and fill any gaps.

But fundamentally, while things currently appear calm, the underlying sources of tension between the US and Iran remain unresolved. The likelihood of further geopolitical conflict and instability is thus still high.

So will oil prices remain around $65 a barrel this year? Probably not.
The last week has seen its fair share of tumultuous events with the uncertainty in the Middle East continuing to dominate. Iran’s admission of ‘accidentally’ shooting down the Ukrainian Boeing 737 has certainly not helped investor confidence with many looking for safe havens such as gold and increasingly, it seems, Bitcoin.

As per normal, cryptos are focused on Bitcoin (BTC) and the debate continues as to whether the mid-year halving has been priced in and whether or not it is a safe haven hedge. At the time of writing it was trading at USD$128.35 / GB£96.20 (36). Ethereum (ETH) is at USD$143.89 / GB£112.63; Ripple (XRP) is at USD$0.2118 / GB£0.1631; Binance (BNB) is at USD$515.08 / GB£411.61 and Cardano (ADA) is at USD$0.03707 / GB£0.02855. Overall Market Cap is at USD$216.38bn / GB£166.64bn (data source: CryptoCompare.com)

The conference season is now well and truly underway with Washington Elite taking place today and tomorrow before all focus shifts to The World Economic Forum next week where I shall be attending a number of the ‘Crypto side events’ including CVC Crypto Valley week where notable speakers include my friend Charles Hoskinson for whom 2020 should be the breakout year for Cardano (ADA) as they progress to mainnet launch and full decentralisation.

One of the joys of my position is that I get to meet people from all over the world and have, within my community groups, a large number of Australians. James O’Donoghue, from HiveEx, reached over the world and have, within my community groups, a large international efforts and fundraising drives have begun in earnest. Points have seemingly come on an almost daily basis, and this has been true of entrepreneurial experiments could now benefit from low-cost resources that scaled smoothly as businesses grew.

While the Web 2.0 wave is still bearing fruit, the next paradigm shift in applications has begun, logically entitled Web 3.0 – an even more fundamental disruption. It is a leap forward to open, trustless and permissionless networks. While in Web 2.0 recently commoditised personal computer hardware was repurposed in data centres, the shift to Web 3.0 pushes the data centre out to the edge: our phones, computers, appliances, sensors and vehicles, which are forecast to produce 160 times more data in 2020 as compared to 2010. Decentralised data networks are making it possible for these data generators (from an individual’s personal health data, to a car’s location & performance data) to sell or barter their data without losing ownership of the data.

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

Aave protocol is a decentralized, open-source, and non-custodial money market protocol.

“Web 2.0, coined as Web 1.0 boom burst, moved the world on from static desktop web pages and expensive servers to inter-active experiences and user-generated content and brought us Uber, Airbnb, Facebook and Instagram. The rise of Web 2.0 was largely driven by three core layers of innovation: mobile, social and cloud.

With the launch of the iPhone in 2007, mobile internet access broadened both the user base and the usage of the Web: the browser, mobile apps were now in everyone’s pocket.

Until social networks such as MySpace and Facebook created online identities, the Internet was largely an anonymous place. These networks coaxed users into good behaviour, content generation and recommendations: from sharing photos online to encouraging unknown travellers with homes on Airbnb; and getting into a stranger’s car with Uber.

Cloud computing enabled the production and maintenance of internet pages & applications: shifting from owning expensive dedicated infrastructure to renting storage and compute power. Millions of entrepreneurial experiments could now benefit from low-cost resources that scaled smoothly as businesses grew.

What technology benefits more than 3 Billion people for 80% of their waking hours?

Web 2.0

Web 2.0 is all about sharing and the release of Aave protocol is a huge step toward bringing the DeFi ecosystem into the mainstream. Aave protocol is a decentralized, open-source, and non-custodial money market protocol. Depositors can earn interest by providing liquidity to lending pools, while borrowers can obtain loans by tapping into these pools with both over collateralized and under collateralized loan options. Aave protocol is unique in that it tokenizes deposits as Aave interest bearing tokens called Tokens which accrue interest in real time directly in your wallet. It also features access to flash loans, which allow developers/people with some technical knowledge to borrow instantly; no collateral needed. Users are also able to switch between stable and variable interest rates with one click, ensuring the best possible rates. Aave protocol currently has 14 different cryptographic assets available to be deposited or borrowed. 5 of these are stablecoins with minimal volatility as they are pegged to a stable asset or fiat currency. Chainlink’s decentralized oracle service secures Aave protocol’s 16 cryptocurrency price feeds in real-time, ensuring that the lending rates/prices reflect on-chain as well as off-chain data, and guaranteeing that Aave protocol is decentralized all the way.

“Our mission is to create a diverse digital economy to enable anyone to receive higher yields for their money via stablecoin deposits compared to traditional savings accounts offered by banks. We provide new opportunities for the mainstream depositors.” – Stani Kulechov, CEO

Since it went live last week, there are already over $2 million USD in assets circulating in Aave protocol. The next steps for Aave are to move ownership of the protocol into the hands of the community. To do this, Aave must add governance smart contracts, self-executing, trackable contracts where no third party is needed. In this initial launch phase, Aave is keeping ownership of the protocol to further audit and respond to any potential issues. Once the governance is released, Aave’s native LEND tokens will be used to propose and vote on changes in the protocol. This is an important step toward building an open financial ecosystem where those participating have a say in the governance. DeFi is about creating a more equitable financial system, and people are increasingly taking control of their money as DeFi moves into the mainstream.

The ultimate outcome of these new open, trustless and permissionless networks is the possibility to incentivise the long tail of work, service, data and content providers across health, food, finance and sustainability.

Where Web 2.0 was driven by the advent of mobile, social and cloud, Web 3.0 is built on edge computing, decentralised data networks and artificial intelligence. While Web 2.0 recently commoditised personal computer hardware was repurposed in data centres, the shift to Web 3.0 pushes the data centre out to the edge: our phones, computers, appliances, sensors and vehicles, which are forecast to produce 160 times more data in 2020 as compared to 2010.

Decentralised data networks are making it possible for these data generators (from an individual’s personal health data, to a car’s location & performance data) to sell or barter their data without losing ownership of the data. Powerful Artificial intelligence algorithms have the potential to use these new decentralised data structures give access to a wealth of data that would be the envy of today’s tech giants. The potential applications go far beyond targeted advertising into areas like precision medicine, drug design and climate modelling.

The Web 3.0 future is where distributed actors interact between peers delivering a composable, human-centric computing fabric. So much for the technology but what difference will this make to the individuals and society as a whole? It has been seen that the characteristic which sets mankind apart is our ability to organise good behaviour, content generation and recommendations: from sharing photos online to encouraging unknown travellers with homes on Airbnb; and getting into a stranger’s car with Uber.

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ourselves in the pursuit of a commonly envisioned goal. Let’s look back at the four major social & technological stages in human collaboration:

In villages, people could trade value, information & work with the small group of counterparts they already knew - limited by geographic proximity & personal trust. The small scale meant individuals had multiple roles in society e.g. farmer, warrior & father.

In Urbanised Cities, the set of counterparts reduced beyond those trusted personally. It became economically viable to launch new specialised businesses, and rely on others to produce all the remaining goods and services required by the city. Web 1.0 & Web 2.0 radically shrunk the scale & cost at which people & businesses could trade with geographically distributed counterparts. Truly global businesses started to form since today’s internet allows global coordination via digital trust intermediaries: from Facebook to eBay & AirBnB. Unfortunately we have become dependent on these platforms, and when they move from “attract” to “extract”, their customers suffer.

Through “traditional” mutual ownership, governance and economic incentives, participants can collaborate to solve “thinner spaghetti” problems.

The forgoing wave of Web 3.0 goes far beyond the initial use cases in finance. Through the richness of interactions and the global scope of counterparties, Web 3.0 will cryptographically connect data from individuals, corporations and machines, with machine learning algorithms, leading to the rise of fundamentally new markets and associated business models. The result is akin to a “return to the global village” - everyday businesses started to form since today’s internet allows global coordination via digital trust intermediaries: from Facebook to eBay & AirBnB. Unfortunately we have become dependent on these platforms, and when they move from “attract” to “extract”, their customers suffer.

With Web 3.0, women, men, machines & businesses will be able to trade value, information & work on a global scale with counterparts they don’t know or yet explicitly trust, without a trusted intermediary. Constituents of a network trust each other implicitly rather than seeking to achieve trust explicitly. Web 3.0 will enable us to interact with blockchain applications, much like the Ethereum network. The cryptocurrency’s whitepaper claims the project aims to make it “easy to transfer value, representing helping it become a leader in distributed ledger technology.

Former British Prime Minister Christine Lagarde in an interview last week revealed that the regulator wishes to "play an active role" in the digital asset space.

"Expression of your position with respect to stablecoins. Lagarde noted that Central Bank Digital Currencies (CBDCs) shouldn’t "discourage" private alternatives for "fast and efficient retail payments.“

Finally, leading cryptocurrency exchange Binance has committed $1 million to support Australia’s bushfire relief efforts through its blockchain-based charity platform - the Binance Charity Foundation. Binance has also begun distribution of $1 million worth of BNB towards Australia’s Bushfire Donations program, which seeks donations for the crypto community to provide relief for the ongoing wildlife crisis.

The UK should lead global consensus for blockchain applications and governance

Blockchain is in full swing in major countries around the world. It allows for many applications and governance models. The result is akin to a “return to the global village” - everyday businesses started to form since today’s internet allows global coordination via digital trust intermediaries: from Facebook to eBay & AirBnB. Unfortunately we have become dependent on these platforms, and when they move from “attract” to “extract”, their customers suffer.

With Web 3.0, women, men, machines & businesses will be able to trade value, information & work on a global scale with counterparts they don’t know or yet explicitly trust, without a trusted intermediary. Constituents of a network trust each other implicitly rather than seeking to achieve trust explicitly. Web 3.0 will enable us to interact with blockchain applications, much like the Ethereum network. The cryptocurrency’s whitepaper claims the project aims to make it “easy to transfer value, representing helping it become a leader in distributed ledger technology.

Former British Prime Minister Christine Lagarde in an interview last week revealed that the regulator wishes to "play an active role" in the digital asset space.

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last summer, I boarded a red Routemaster bus for a London sightseeing tour. Along with a handful of British hacks, the top deck was crammed with Chinese journalists and social media stars, many armed with selfie sticks.

Our final stop was the Royal Horticultural Halls near Victoria, where the Lotus Evija would be revealed. The most powerful road car ever, it heralded the rebirth of a famous but flatlining British brand. China’s media were there because Geely – the world’s fastest-growing car-maker, based in Hangzhou – was no stranger to long-haul flights. His Mandarin, however, is still a work-in-progress.

Six months later, at Lotus HQ in deepest Norfolk, that balmy July evening feels like a distant dream. The sleet is blowing sideways, lashing at the hoisted Union Jack outside Phil Popham’s office. Thankfully, the 54-year-old CEO hasn’t let the deluge dampen his spirits. “I had a Lotus on my bedroom wall as a teenager,” he says. “So the opportunity to rejuvenate Lotus was one I couldn’t turn down.”

Popham joined Land Rover as a graduate trainee in 1988 and stayed until 2014, rising to managing director and overseeing its rise to global ubiquity. He then turned around the fortunes of luxury yacht maker Sunseeker, before taking the top job at Lotus in 2018. All three companies have close connections with China, so Popham is no stranger to long-haul flights. His cultural Halls near Victoria, where the Lotus Evija would be revealed.

The 2,000hp, £2m electric Evija is pure petrolhead porn. You’ll find no touchscreens or infotainment, save for a dated Sony stereo. But you won’t lose sight of its roots. “Ultimately, it’s all about the enjoyment of driving,” says Popham. Amen to that.

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In fact, simplicity is key to the Elise’s longevity. Company founder Colin Chapman’s maxim was “simplify, then add lightness” and Popham frequently uses “light-weighting” as a verb. Taking that philosophy forward in a world of tightening legislation and increasingly complicated cars will be a challenge, but Popham says everything from infotainment to the manual gearbox’s exposed linkage is pure petrolhead porn. You’ll find no touchscreens or infotainment, save for a dated Sony stereo. But you won’t lose sight of its roots. “Ultimately, it’s all about the enjoyment of driving,” says Popham. Amen to that.

Tim Pitt works for motoringresearch.com

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ALPINE A110 LEGENDE

THE VERDICT:

THE VERDICT:

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THE VERDICT:

PORSCHE 718 BOXSTER S

THE VERDICT:
The job market is intense, both for candidates, who have to stand out among hundreds of competitors, and for businesses, which have to spot the best talent from hundreds of applications. As a result of this challenge, an increasing number of businesses are turning to technological solutions in the hiring process. However, as businesses start using more tech to find and hire the best talent, job seekers across the UK are looking for quick hacks to get ahead. Our recent research, entitled "Hiring Humans vs Recruitment Robots", found that 69 per cent of job seekers have gamed the system to their advantage. A third (36 per cent) had updated the skills on their CV to match the required criteria, whether or not they actually had that skill, while 22 per cent had searched online to find out how other people had been hired. Nearly a fifth (19 per cent) used buzzwords in their CV in order to manipulate automated systems, or had lied or exaggerated about their experience to get to the interview stage. Of course, it’s perfectly natural for job seekers to adapt their profile and mention keywords for skills they have, or are close to having, that fit the job ad. Being "good" at something might become "excellent" on an application form, for example. But where the line is crossed is when candidates deliberately lie about the skills they have, or look for ways in which they can game the system. This leads to UK businesses getting the best liars, and missing out on the best — and most honest — talent. Of course, lying on your CV or in a job interview isn’t the best of ideas — a quick background check or call to a former boss will expose the truth. But how can you tell if a potential new employer is totally honest about what it’s like working for them? Glassdoor not only lists job opportunities but also provides reviews from current and former employees about a company’s work environment, culture, and senior leaders. Obviously, lying on your CV or in a job interview isn’t the best of ideas — a quick background check or call to a former boss will expose the truth. But how can you tell if a potential new employer is totally honest about what it’s like working for them? Glassdoor not only lists job opportunities but also provides reviews from current and former employees about a company’s work environment, culture, and senior leaders.
Barcelona replace Real Madrid as world’s richest club

By Frank Dalleres

Barcelona have overtaken Real Madrid to become the world’s richest football club, according to Deloitte’s Football Money League.

The Spanish champions saw revenue soar to €940.8m (£841.1m) last year – a record figure for any team and almost 10 per cent more than domestic rivals Real Madrid.

Manchester United remain the highest-placed English club in the annual ranking, which is based on revenue and published today.

United recorded income of €711.5m (£627.1m) for 2018-19 but are currently finding their status as the Premier League’s financial powerhouse under threat from Manchester City and Liverpool, says Deloitte.

Bayern Munich and Paris Saint-Germain complete the top five, with City, Liverpool, Tottenham Hotspur and Chelsea, the other English teams in the top 10.

Spurs are now London’s richest club after they enjoyed major revenue growth due to a run to the Champions League final and their move to the state-of-the-art Tottenham Hotspur Stadium.

Local rivals Arsenal dropped out of the top 10 as their continued absence from European club football’s elite competition saw income stagnate.

BARCA’S IN-HOUSE BOOST

Barcelona’s ascent to the top of the rich list came as they won the Spanish title for an eighth time in 11 years and reached the semi-finals of the Champions League.

Their €150m surge in revenue was rooted in off-field activity, however, and the club’s decision to bring merchandising and licensing operations in-house instead of farming them out to third parties.

This affords Barca greater control of how its products are sold and allows them to report associated income on a gross rather than net basis.

While not suitable a strategy for all clubs, rivals may take note.

“Bringing operations in-house was probably the biggest impact on their commercial revenue, which increased by 19 per cent to €383.5m,” Izzy Wray of Deloitte’s Sports Business Group told City A.M.

“Other clubs will see those big numbers and may look to do an analysis of their own commercial structures to see whether it would make sense to bring operations in-house as well.”

The Catalan club are the first to record annual revenue of more than €800m.

Barcelona’s commercial income alone was greater than the total revenue of any club outside the top 11 on Deloitte’s list.

Spurs overtake Chelsea and Arsenal

They may have lost out to Liverpool on the night but Tottenham Hotspur’s run to a first ever Champions League final came with a consolation prize: they are now London’s richest club.

Spurs’ best ever European campaign helped grow revenue by 21 per cent to €459.3m (£392.7m), taking them above rivals Chelsea and Arsenal to eighth place in Deloitte’s latest Football Money League.

Broadcast income grew by €42m and commercial revenue by €31m, with both largely attributable to the club’s Champions League success.

Tottenham’s relocation to a new £1bn, 62,000-capacity stadium has also begun to pay off in matchday revenue, which is expected to see significant growth this year, their first full season at the ground.

North London neighbours Arsenal, by contrast, have slipped to 11th in Deloitte’s rankings, published today.

The Gunners saw income grow only marginally to €392.7m (£320.3m) – an illustration of the Premier League’s enduring financial strength.

United face threat to English supremacy

JUST two years ago they were the world’s richest team, their unrivalled commercial operations allowing them to capitalise on a brand built up over two decades of dominance of English football.

Now, however, Manchester United are increasingly being left behind by Spain’s big two clubs and in danger of being eclipsed financially by Premier League rivals Manchester City and Liverpool.

United brought in revenue of £527.1m (€603.8m) last year, a long way off Barcelona’s €640.3m (£541.1m) and the €575.3m (€667.5m) of Real Madrid. But while Barca are projecting income to grow further this season, United have forecast a drop to £560m-580m owing to their absence from the Champions League.

“This could put the club at risk of losing its position as the Premier League’s highest revenue generating club,” Deloitte says in its Football Money League report. Back-to-back Premier League winners City and European champions Liverpool, meanwhile, continue to reap the rewards of on-field success.

“That is one to look out for next season,” Deloitte’s Izzy Wray told City A.M. “But there is still a significant difference in total revenues between Manchester City and Liverpool and United, so it may not necessarily be next season that we see those clubs overtake them.”

COMMERCIAL IS KING

Elite football continues to prove robust, with the aggregate revenue of the 20 richest clubs swelling 11 per cent year-on-year to €9,380.6m (£8,206m). That growth was driven in part by a new cycle of broadcast contracts for European competitions, meaning bigger payouts for those in the Champions League. Commercial income is an increasingly significant differentiator among the biggest clubs, however, with growth in the value of broadcast rights showing signs of slowing.

Paris Saint-Germain overtook Manchester City after they banked the second highest commercial income in football history – €363.4m (£320.3m) – thanks to five new sponsors and six renewals with existing partners.

Juve, meanwhile, re-entered the top 10 of Deloitte’s ranking on the back of signing Cristiano Ronaldo.

The Portugal superstar, who boasts more Instagram followers than Barcelona and Real Madrid combined, helped Juve achieve commercial growth through greater brand visibility and improved merchandise sales.

The Premier League’s financial supremacy is underlined by the presence of eight of its clubs in the top 20 of the Football Money League.

West Ham and Everton, 18th and 19th respectively, are the only teams on the list despite not qualifying for European competition – again, due to the value of English broadcast rights.

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North London neighbours Arsenal, by contrast, have slipped to 11th in Deloitte’s rankings, published today.

The Gunners saw income grow only marginally to €392.7m (£320.3m) as they counted the cost of their absence from the Champions League for a second consecutive season.

Chelsea’s revenue was also largely flat at €452.2m (£393.1m), despite them winning the Europa League.

West Ham climbed two places to 18th in the list as income grew by £15m to £190.7m (£216.4m) – an illustration of the Premier League’s enduring financial strength.
**NEED FOR SPEED** Collingwood backs Wood to replace Anderson

England fast bowler Mark Wood has got the “X-factor” to replace Jimmy Anderson in the third Test match against South Africa on Thursday, says assistant coach Paul Collingwood. Wood is competing with Jofra Archer and Chris Woakes for a place in the side after Anderson suffered a broken rib. The 30-year-old has not played Test cricket since February 2019 due to a side strain. “He’s got the skills to go out there and make an impact,” Collingwood said. “Port Elizabeth is generally a slower pitch so sometimes having that kind of X-factor bowler would be great.”

**SPORT DIGEST**

**TRIAL OF EX-IAAF CHIEF DIACK DELAYED UNTIL JUNE**

The trial of the ex-head of athletics world governing body the IAAF Lamine Diack has been delayed until June after new evidence was presented. Diack and his son, Papa Massata Diack, are facing charges of corruption and money laundering linked to the Russian doping scandal. The 86-year-old Senegalese is accused of accepting £1.34m from athletes suspected of doping to delay sanctions so they could compete at the 2012 Olympics.

**VILLA LOAN RENEWAL AFTER GOALKEEPERS INJURIES**

Aston Villa have signed former Liverpool goalkeeper Pepe Reina on loan until the end of the season from AC Milan. Reina, a World Cup winner with Spain, played for Liverpool between 2005 and 2013 before going on to represent Bayern Munich, Napoli and AC Milan. Villa have signed the 37-year-old after No1 goalkeeper Tom Heaton was ruled out until the end of the season with a knee injury, while understudy Jed Steer has an Achilles problem. Meanwhile, Premier League bottom side Norwich have signed Hoffenheim midfielder Lukas Rupp.

**OPINION**

LUS Oosthuizen held a one-shot lead going into the final day of the South African Open on Sunday and nine times out of 10 his closing round of 68 would have been enough for him to successfully defend his title.

But Oosthuizen could do nothing about Brandon Grace, who hit eight birdies and an eagle in a superb 62 to finish three shots ahead and claim the trophy instead of his fellow South African.

Grace had not won on the European Tour since triumphing at the Nedbank Golf Challenge in November 2017 and finished 113th in the Race to Dubai last year, so this was a big return to form for the 31-year-old.

Winning on home soil is always special. Oosthuizen rated his success in December 2018 at the Randpark Golf Club in Johannesburg up there with his Major win at the Open Championship in 2010, so that shows the regard the event is held in among home players.

Grace single-putted nine greens in a row and needed just 22 putts on his nine underpar final round, which is very impressive.

But to overturn a four-shot deficit against a player of Oosthuizen’s quality and experience and win such an event you need everything to be almost perfect.

He’s a high calibre player – he finished third at the PGA Championship in 2015 and tied fourth at the US Open in the same year – so in familiar conditions his performance was not altogether surprising.

Grace’s win means 14 of the last 22 winners of the South African Open have been from the host country, with the distinctive coarse grass favouring those who grew up with it.

**ARMITAGE’S OPEN DREAM**

This was the ideal way to start the year, considering that he had slipped down as far as No129 in the world rankings in 2019.

His victory automatically qualifies him for entry into the Open in July alongside compatriot Jaco Ahlers and England’s Marcus Armitage, who made a birdie putt on the 72nd green to secure third place outright.

Armitage, who climbed from world No1386 to No475 with that finish, had to go through qualifying school to earn his European Tour card for 2020, so this is a brilliant result for him.

**SMITH’S WIN FOR AUSTRALIA**

On the PGA Tour, meanwhile, Cameron Smith won the Sony Open in Hawaii, beating Brendan Steele at the first playoff hole.

Smith has now won all three of the play-offs he has reached in his career, which is a great statistic to have on your CV.

The Australian is a hell of a player and, while he turned professional in 2013, he is still only 26 so has time on his side.

His victory is a good story for another reason, too. Smith has donated a portion of his prize money, as well as $500 for every birdie and $1,000 for every eagle he managed, to the Australian bushfire crisis in which his uncle lost his home.
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