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# ENGINE TROUBLE FOR CAR MAKERS



**JACK RICHARDSON**

@jackrich93

THE DECISION to bring forward the ban on sales of petrol, diesel and hybrid cars to 2035 yesterday saw motor industry groups claiming the government had "moved the goalposts" with the snap announcement.

Prime Minister Boris Johnson announced the earlier target at a launch event in London yesterday ahead of a United Nations climate summit in Glasgow in November. Previously, the cars were set to be phased out by 2040. The plan is part of a wider government

target, signed into law at the end of the last parliament, for the UK to become carbon neutral by 2050.

Johnson said: "There can be no greater responsibility than protecting our planet, and no mission that a global Britain is prouder to serve."

But industry bodies were unconvinced by the proposals, which will leave consumers able to buy only hydrogen or electric-powered cars after the date.

"It's extremely concerning that the government has seemingly moved the goalposts for consumers and industry on such a critical issue," Mike Hawes, head of the Society of Motor Manufacturers

and Traders said.

"A date without a plan will merely destroy value today," he added, calling the UK's charging network "inadequate" and demanding "market transformation".

Cabinet minister Michael Gove later refused to put a price on how much it would cost the Treasury to build charging points to support widespread electric car usage by the end of the 15-year target, claiming on Talk Radio that it would be a "net saving".

Umbrella body Energy UK welcomed the decision to bring forward the cap. Uber, which plans to ensure all of its London drivers are using electric cars by

2025, praised Johnson for taking "bold action" to foster change. However analysts questioned how realistic the proposal was.

"The current lack of policy coordination is an issue," said James Watson, international head of energy at Osborne Clarke, calling for a single government body to oversee the rollout.

"The issue of how to incentivise the development of the new market from a relatively standing start needs to be addressed," he added.

The deadline for phasing out coal from the UK's energy mix was also brought forward to 2024.

## QPR and Air Asia man hit by SFO probe

**JAMES BOOTH**

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THE CHIEF executive of Malaysian airline Air Asia Tony Fernandes yesterday denied allegations he was paid a \$50m (£38m) bribe via his Formula 1 team by aircraft giant Airbus.

Prosecutors allege Airbus paid a bribe of \$50m through sponsorship of the now-defunct Caterham F1 team which was owned by Fernandes to win orders from Air Asia.

"We categorically deny all allegations of wrongdoing or misconduct on our part as executives and directors of Air Asia," Fernandes and Air Asia executive chairman Datuk Kamarudin bin Meranun said yesterday.

Fernandes, who is a major shareholder in Championship football club Queens Park Rangers, owned Caterham until 2014.

The allegations by the UK's Serious Fraud Office (SFO) concern a 2012 sponsorship deal between Caterham and Airbus' then-parent EADS.

Air Asia said on Monday that Fernandes and Meranun would step aside from their executive roles for two months while the claims were investigated.

Fernandes and Meranun said the SFO had not contacted them or Air Asia about the allegations.

## Government urges Brits to leave China as Wuhan outbreak continues to spread

**ANNA MENIN**

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THE FOREIGN Office yesterday urged all British nationals in China to leave the country due to the coronavirus outbreak.

The UK government is advising against "all but essential" travel to mainland China, and yesterday recommended that all Brits who

are able to leave the country should do so. Foreign Office sources believe there are around 29,500 UK citizens in the country.

A number of British firms have a presence on the ground and last night were understood to be reviewing their operations.

Some staff and dependents from the British embassy and consulates are also reportedly leaving China.

Essential staff, including those providing consular assistance, will remain. The advice does not include Hong Kong, which has a huge contingent of ex-pat Brits.

Late last night the World Health Organization (WHO) said there is a "window of opportunity" to prevent the virus becoming a global crisis. In recent days critics on social media and elsewhere

have rounded on the Chinese government, as allegations have emerged of the outbreak being underplayed by authorities in the epidemic's opening days.

The WHO declared a global health emergency last week, but have stopped short of describing a pandemic. More than 400 people are believed to have died.

Chinese stocks partially

recovered yesterday after a torrid day of trading on Monday, the first after the Lunar New Year.

Yesterday BP warned that demand for oil could be dragged down by as much as 40 per cent this year as a result of the outbreak. It joined a growing consensus of businesses predicting the virus could have a significant economic impact.



## CITY A.M.

## THE CITY VIEW

## Government flies into trouble with targets

ONE CAN understand why a man whose job it is to promote and run an airport may be of the view that flying is, on balance, quite a good idea. For much of the time that Heathrow has been in business, its bosses have largely had their licence to operate pretty much nailed on – the odd air pollution group apart. Indeed such was the consensus on more flights that most of the arguments for expansion over the past decades have centred on increases in destinations, frequencies and – unspoken, most of the time – having more in London than the French had at Charles de Gaulle... an airport itself built, largely, because Heathrow had begun to steal Orly's lunch money. All of that changed when a teenage Swede ignited a movement that, in its various forms, has become too big and too scary for any government or company to ignore. One of the manifestations of the rise of

Extinction Rebellion and the mainstreaming of so-called flight shaming has been that yesterday, John Holland-Kaye has had to come out to bat for flying. "The enemy is carbon, not aviation," he said yesterday. "The answer is not to stop people flying." The truth, of course, is that aviation has been getting more efficient, acknowledging that things have to change. Investments in new, cleaner planes have been matched with research into far greener biofuels. There is no doubt more to do, but it's a start. The alternative to market-based improvements, of course, is cack-handed government intervention. Right on cue just a few hours' after Holland-Kaye's intervention, Boris Johnson announced an end to new sales of petrol, diesel and hybrid cars five years earlier than expected. Manufacturers, understandably, said they had quite enough on their plate already as a key piece in a coming trade negotiation without arbitrary targets turning up for the sake of a headline. They also made the point they are going green already, but needed support in the form of a proper charging network and market incentives to invest, if they were to get consumers jumping into costly new models. The government got a headline. The industry got a headache. The economy could well catch a hangover, too. Conservative governments are perhaps better off working with industry, rather than dictating to it, if they really want to turn their green rhetoric into reality.

“  
The government got a headline, the industry got a headache

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**WELL, THAT DIDN'T WORK** First Democrat vote descends into farce after app malfunction and chaotic count delays vital result



THE IOWA caucus, the first vote on who will stand as the Democrat candidate in the 2020 US presidential election, was described by US President Donald Trump last night as an "unmitigated disaster" after a combination of human and technological errors delayed the results by almost 24 hours. As results trickled in late last night, Pete Buttigieg jumped to an early lead, while Bernie Sanders and Elizabeth Warren trailed in second and third place. The results signposted a major blow for former vice president Joe Biden, who had led a number of recent polls of Iowa voters.

## UK builders get ballot box boost

HARRY ROBERTSON

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OUTPUT in the UK's construction sector fell in January at its slowest pace in eight months, survey data showed yesterday, in a sign that green shoots are emerging for Britain's builders after a year of political uncertainty.

The IHS Markit/Cips gauge of construction output rose to 48.4 in January from 44.4 in December. The reading was still below the 50 no-change mark but was nonetheless the best score for eight months.

Following Boris Johnson's landslide election victory in December – which led to Britain leaving the EU last week after three years of parliamentary wrangling – various surveys have shown a rise in optimism and an uptick in output.

IHS Markit yesterday said UK builders reported higher client

demand in January after some of the political mist had risen.

House-building was the best-performing part of the construction industry last month, the firm said.

Meanwhile, commercial property-building fell for the 13th straight month, although at the slowest rate since the start of 2019.

Duncan Brock, group director at the Chartered Institute of Procurement and Supply (Cips), said: "Construction firms were more upbeat in January as the downturn in business activity slowed, the trend improved for new work and job losses steadied."

"The signs are good that the sector is building up momentum for the year ahead and recovering some losses in new work," he added.

Max Jones, a construction expert at Lloyds Bank, said: "Contractors will be hoping a new decade brings a new dawn following a difficult period."

## The Square Mile sees few signs of 'Brexodus'

ANGHARAD CARRICK

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THE NUMBER of job relocations from the Square Mile to the EU has remained far short of the thousands predicted when Britain voted to leave in 2016.

Catherine McGuinness, policy chair of the City of London Corporation, told Reuters the numbers of bankers and insurance and asset management staff moving to EU subsidiaries was between 2,000 and 7,000.

McGuinness said: "We really have not seen any major Brexodus. We are not hearing signals of huge further moves." She added that while negotiations over financial services would not be as "picturesque" as fish they are of critical importance to the economy.

In an article for *City A.M.* earlier this week, McGuinness said Britain should forge closer ties with India.

## FINANCIAL TIMES

### US EXECUTIVE SET TO QUIT SOFTBANK'S VISION FUND

A top US executive at Softbank's \$100bn (£76.7bn) Vision Fund is leaving after expressing concerns about "issues" at the technology conglomerate, which has suffered a string of setbacks over the past year, including a soured investment in WeWork. Michael Ronen, a former Goldman Sachs banker who joined Softbank in 2017, told the Financial Times he had been "negotiating the terms of my anticipated departure" for several weeks.

### BEST BUY WRAPS UP PROBE AGAINST CHIEF EXECUTIVE

Best Buy yesterday said it has closed an

## WHAT THE OTHER PAPERS SAY THIS MORNING

investigation into misconduct claims against Corie Barry, its chief executive officer, after the electronics firm received an anonymous letter detailing alleged misconduct.

## THE TIMES

### FIRMS TO BE NAMED AND SHAMED FOR AUDIT QUALITY

The accounting watchdog is pushing ahead with an overhaul before government legislation transforms it into a more forceful body. The Financial Reporting Council has outlined measures to increase scrutiny of audit firms, speed up enforcement and streamline its governance, in its draft 2020 budget, seen by the Times.

### UNIVERSITIES PAY STUDENTS TO DELAY THEIR DEGREES

Universities have offered students sums of up to £2,000 to take a gap year because they have offered out places to more students than they can take on, the Times can reveal.

## THE DAILY TELEGRAPH

### TWITTER BANS DEEPFAKES IN BID TO STOP FAKE NEWS

Twitter has banned so-called deepfakes – manipulated videos – as it batters down the hatches for a misinformation offensive expected ahead of this year's US presidential election. The social network will alert users if a video in their timeline has been altered and label it as "manipulated media" from 5 March.

### HANSTEEN BOSSES SCOOP £14M EACH FOLLOWING SALE

Morgan Jones and Ian Watson, the property duo who founded warehouse owner Hansteen are to walk away with £14m each, plus £532,000 in stock, after selling their business to private equity company Blackstone for £500m.

## THE WALL STREET JOURNAL

### CHIPOTLE REPORTS SALES GAINS AS COSTS TOWER

Chipotle Mexican Grill yesterday said sales accelerated in the fourth quarter, but that major expenses are also rising at the burrito chain. The fast food firm said sales rose to \$1.44bn (£1.11bn) or the quarter, up from \$1.23bn a year earlier, coming in ahead of analysts' forecasts of \$1.4bn for the period.

### MACY'S TO AXE 2,000 STAFF AS IT CLOSES 125 STORES

Macy's plans to close 125 department stores over the next three years, an admission that a fifth of its locations cannot thrive as shoppers buy more online and make fewer trips to malls, cutting 2,000 jobs in the process.



# UK employment bodies shun lack of FTSE diversity

EDWARD THICKNESSE

@edthicknesse

EMPLOYMENT bodies have hit out at the UK's largest companies after today's Parker report review found that it will be "challenging" for FTSE 100 firms to hit diversity targets by next year.

In 2017 the initial Parker report recommended that all FTSE 100 boards should have at least one director from an ethnic minority background by 2021.

However today's review found that only 37 per cent of FTSE 100 boards had met this target, with just 11 companies adding an ethnic minority director since 2019.

In addition, 69 per cent of FTSE 250 companies surveyed — 119 of the 203 respondents — did not have any ethnic minority representation on their boards.

Dr Jill Miller, senior policy adviser for diversity and inclusion at the Chartered Institute of Personnel and Development, said: "The lack of ethnic diversity at the top of organisations is unacceptable in

2020 and although we are seeing movement in the right direction, the speed of progress reported today is disappointing."

She added: "Action is long overdue and must be a business priority."

Matthew Fell, CBI chief UK policy director, echoed her comments, saying: "While some FTSE firms have made measurable progress when it comes to ethnic diversity in the boardroom, the bottom line is business has to significantly up its game."

On the fact that over 50 FTSE 350 constituent companies did not respond to the survey, he added: "It is an essential first step that every FTSE company shares their data with the review — there are no excuses for not doing so."

Raph Mokades, managing director at Rare Recruitment, said part of the challenge was ensuring that diverse talent was retained: "Employees who can't see a place for themselves at senior levels are going to leave, and until more work and thought goes into retaining diverse talent and improving workplace culture the view at the top will not change."

# Heathrow boss slams flight shaming as industry pledges to become clean

JACK RICHARDSON

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THE BOSS of Heathrow airport yesterday launched a staunch defence of air travel in the face of a growing flight shaming movement.

John Holland-Kaye told the BBC that instead of discouraging flying, cutting air transport emissions should come from de-carbonising aviation.

He said: "The enemy is carbon, not

aviation. We need to protect the ability to fly in a world without carbon." Flight shaming has become an issue recently as climate change campaigners encourage consumers to cut the number of flights they take.

Air transport comprises around 2.5 per cent of carbon emissions globally.

At the same time, aviation industry group Sustainable Aviation has pledged to reach net zero carbon emissions by 2050 — a target the

government has for the UK economy.

However, over this period, demand for air travel is projected to increase by 70 per cent and taking advantage of new technology in the sector is key to meeting this target. It comes as Heathrow seeks to build its controversial third runway.

Holland-Kaye said blocking expansion in 2010 actually "did not cut carbon emissions" as flyers instead chose to fly through rival European hubs.

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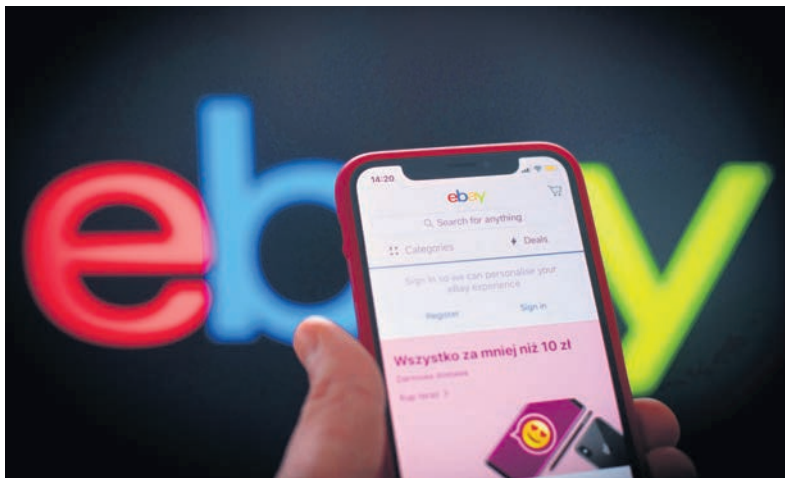
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## GOING ONCE, GOING ICE NYSE owner ICE mulls bid for Ebay's marketplace business



NEW YORK Stock Exchange owner Intercontinental Exchange (ICE) is said to have made an offer to buy Ebay in a deal that could value the ecommerce company at more than \$30bn (£23bn). The Wall Street Journal said ICE is primarily interested in Ebay's marketplace business, not its classified unit which Ebay is considering selling.

### IN BRIEF

#### FORD POSTS WEAKER THAN EXPECTED 2020 FORECAST

Shares in Ford nosedived yesterday after it reported a weaker-than-expected 2020 forecast. It warned that quality problems, lower profit at its credit arm and continued investments in unprofitable self driving cars would weigh down earnings. Ford said it expects 2020 operating earnings to be in the range of \$0.94 to \$1.20 a share. Analysts were expecting around \$1.26 a share. It marks a blow for chief Jim Hackett who took over in 2017 and has asked investors to be patient with a restructuring. Finance chief Tim Stone said that while results were "not OK" in 2019 he was "very optimistic" for 2020 and beyond. Shares fell to as low as \$8.32 in extended trading, dropping 9.4 per cent.

#### SNAP STUMBLES AFTER MISSING SALES ESTIMATES

Shares in Snap tumbled as much as 12 per cent in extended trading late last night, after the Snapchat parent firm failed to meet analyst expectations for fourth-quarter sales. Revenue for the three months to the end of December came in at \$560.9m (£430.5m), missing estimates of \$563m as compiled by Refinitiv. Global daily active users — a key growth metric for Snap — surprised investors to hit 218m versus the analyst forecast of 215m for the period, though average revenue per user also missed estimates. Snap's net loss widened to \$240.7m, or 17 cents per share, from \$191.67m, or 14 cents per share, a year earlier. Chief executive Evan Spiegel said he had confidence in the firm's "long-term growth and profitability".



# Publisher Relx splashes out \$480m on fraud prevention firm Emailage

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RELX yesterday said it has inked a deal to buy US startup Emailage for roughly \$480m (£368m) as the publishing and analytics giant looks to boost its fraud prevention capabilities.

Emailage, which uses machine learning technology to help clients spot fraud, is one of a number of

businesses cashing in on a booming demand for cybersecurity software.

Relx did not disclose the value of the deal, which was struck with its Lexis Nexis Risk Solutions division, but a source close to the company said it was roughly \$480m.

It is the latest in a string of acquisitions for the firm, which last month agreed to buy ID Analytics from Norton Life Lock in a deal worth \$375m. Both firms are set to be

integrated into Relx's Risk and Business Analytics — its fastest-growing division.

Relx, which also runs exhibitions such as Comic Con, began as a traditional publisher but has shifted towards business information and data analytics in recent years.

The firm has a market capitalisation of almost £40bn, making it one of the UK's 15 largest listed companies.

## ROARING SUCCESS Disney's streaming service brings in 28.6m fresh subscribers



WALT Disney beat analysts' estimates for its quarterly revenue and boasted 28.6m for its Disney Plus service in the quarter, it said yesterday. It is the company's first set of results since it announced it had 10m sign-ups for the service a day after its launch last November. Disney reported \$20.65bn (£15.84bn) revenue and earnings per share rose to \$1.53 (£1.17), beating estimates of \$1.44 (£1.10).

# Watchdog offers olive branch for EU trader access

ANNA MENIN

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THE EUROPEAN Union's markets watchdog is considering imposing stricter conditions on off-exchange share trading, and has also proposed making it easier for EU investors to use UK trading platforms after the Brexit transition period ends.

In a consultation paper published yesterday, the European Securities and Markets Authority (Esma) proposed increasing transparency requirements for "systemic internalisers" — share trading inside banks between clients.

In a move that could make it easier for EU investors to continue using UK trading platforms once the post-Brexit transition period ends in December, the regulator said it was proposing to clarify where EU investors can trade shares from outside the bloc.

Currently, EU investors can be obliged to trade non-EU shares on platforms within the bloc when available. After the transition period, UK platforms will need EU permission to directly serve its investors.

Esma said that it makes sense to restrict the ability of EU investment firms to trade EU-listed shares on non-EU countries that are not "equivalent".

However, it added: "With respect to non-EU shares, it appears less appropriate to limit by default the access to third country venues."

The watchdog has previously clashed with City watchdog the Financial Conduct Authority over where shares could be traded if Britain left the EU without a deal, prompting Esma to remove a requirement for some UK shares to be traded inside the bloc and not in London.

Esma said yesterday its proposed clarification would make it "less likely that third countries will impose a trading obligation to EU shares".

In the same consultation paper the European watchdog said it is considering imposing stricter conditions on off-exchange share trading.

It said EU securities rules implemented two years ago had only been partially successful, failing to reduce the influence of so-called dark pools — private trading exchanges or forums.

# Metro Bank in compliance probe for Iran-Cuba sanction breaches

ANNA MENNIN

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METRO Bank is undergoing a major review of its compliance controls after the lender handled money from Iran and Cuba, breaching strict US and EU sanctions.

The review is being carried out by law firm DLA Piper. Metro Bank hired the firm after receiving the funds from Iran last year. The bank previously notified US officials of the Cuba breach in November 2017.

The probe, first reported by the

Evening Standard, is the latest in a series of woes for the challenger bank, which has struggled to regain investor confidence since disclosing a major accounting error at the start of last year.

Founder and chairman Vernon Hill and chief executive Craig Donaldson both left the bank amid the fallout from the error, and Metro Bank's share price has plummeted since the revelation.

The lender also was forced to ditch a £250m bond issue in October following a lack of investor demand.

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# Dudley departs BP on high after 10-year tenure

EDWARD THICKNESSE

@edthicknesse

BOB DUDLEY yesterday bowed out after a decade in BP's top job, as the oil giant beat expectations in the face of falling oil prices — which could be made worse by coronavirus.

Despite a 26 per cent fall in profit in the final quarter of 2019, the oil giant's underlying replacement cost (RC) figure — BP's definition of net income — of \$2.6bn (£1.98bn) was far ahead of the \$2.1bn predicted.

Last year saw the oil price slumped to an average price of \$64 in 2019, down from \$71 in 2018.

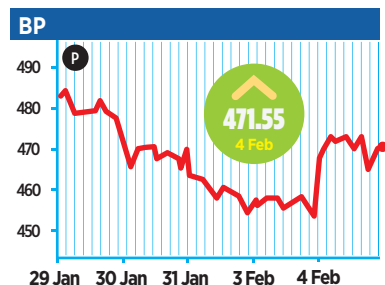
Yesterday BP said global oil demand growth may be slashed by 40 per cent if the coronavirus outbreak diminished the world economy. Despite the volatility, Dudley announced a 2.4 per cent rise in the firm's dividend.

Looking back at his decade in charge, Dudley said that although he had inherited BP in the wake of the deadly

Deepwater Horizon disaster, he felt the firm was "fit for the future" and the challenge of the energy transition.

Analysts hailed the results. Neil Wilson, from Markets.com, said: "Dudley bows out with a flourish, hiking the dividend and ensuring the company he leaves is in better shape than when he took over."

Bernard Looney will take over at BP today, having spent the last four years running the firm's upstream business. Shares rose 4.2 per cent to 471.55p.



## HITTING THE BRAKES Ferrari slows its 2020 outlook in cautious earnings update



ITALIAN supercar maker Ferrari slowed on its outlook yesterday, saying it expected earnings of around €1.4bn (£1.2bn) in 2020, slightly ahead of €1.3bn this year. In the final quarter Ferrari's earnings rose to €333m, just short of analyst forecasts.

## Oil prices rise on Opec cut hopes

EDWARD THICKNESSE

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OIL PRICES showed signs of recovery yesterday as officials from oil cartel Opec were set to meet in Vienna to discuss the rapid fall in prices due to China's coronavirus outbreak.

Brent crude clawed back 0.7 per cent to reach \$54.92 per barrel, whilst West Texas Intermediate,

which on Monday breached the \$50 mark, gained 1.5 per cent at \$50.88.

The last two weeks have seen global benchmark Brent crude plunge over \$10 as the world's biggest economy reacted to the virus. Opec will discuss whether to bring forward March's meeting, in which the group is due to decide on whether to prolong or deepen production cuts, to 14-15 February.

## Major blow for Saudi fund as Tesla skyrockets

ANGHARAD CARRICK AND JAMES WARRINGTON

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SAUDI Arabia's sovereign Public Investment Fund's (PIF) was dealt a tough blow yesterday as Tesla's stock surged more than 23 per cent yesterday before settling.

The fund built up its stake in the car maker in 2018. Its stake would now be valued at £7.7bn, had it not sold 99.5 per cent of its stake in December last year.

The electric car maker's stock was up as high as \$960, before dipping to \$887.06 as markets closed for the day. It is the latest spike amid a recent run of good form for the company, which has seen its share price more than double in value since it posted a third-quarter profit last year.

Last week the electric car maker reported profit of \$105m (£80.6m) in the fourth quarter. It also said that revenue rose to \$7.38bn from \$7.23bn a year earlier, beating Wall Street's forecast of \$7.02bn.

The bullish figures have been boosted by estimate beats for vehicle deliveries, while the firm has ramped up production at its gigafactory in China.



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# Vanguard set to bypass banks in new algorithms

ANGHARAD CARRICK

@angharadcarrick

ASSET manager Vanguard is set to bypass banks and start using computer-run algorithms to trade foreign exchange (forex) directly with other funds.

The head of forex trading at Vanguard, Andy Maack, told Reuters that the fund was in talks with several forex platforms about launching algorithms to seek out and trade with other asset managers.

Trading using specialist algorithms could deprive banks of some of the fees they earn as middlemen in deals.

Maack said that the fund, which trades about \$225bn (£172.6bn) in currencies each month, plans to roll out the new algorithms later in the year.

Reuters also reported that Vanguard was one of three institutional investors that last week executed the first transactions on FX Hedgepool.

The members-only facility was

co-founded last year by Jay Moore. It lets managers trade forex swaps directly with each other for their end-of-month currency hedging needs.

"It is going to reduce some dependency on the banks. It's not going to replace the banks, but give real money managers new sources of liquidity," Maack said.

Vanguard's decision to move towards algorithms is indicative of the increased demand for peer-to-peer forex trading.

Technology and regulation are transforming forex trading and the adoption of "algorithms" increased by 25 per cent year on year in 2019, according to Greenwich Associates data.

Maack told Reuters that Vanguard already uses algorithms that search for other buy-side players when trading on bank-run platforms. But it would now use them on multi-dealer platforms, which include EBS, 360T and Refinitiv's FX All, and where asset managers are active.

# Ex-Freshfields partner kept licence after sex claim judged a 'one-off'

JAMES BOOTH

@Jamesbooth1

AN EX-FRESHFIELDS partner escaped being struck off after a sexual encounter with a junior lawyer because it was a "one-off", a tribunal ruling published yesterday said.

Ryan Beckwith was fined £35,000 and ordered to pay costs of £200,000 by the Solicitors Disciplinary Tribunal (SDT) in October.

A junior lawyer at the firm had accused Beckwith of taking advantage of her when she was too drunk to consent to sexual activity.

Beckwith denied the accusations, and characterised the night the two spent at her flat as "a consensual sexual encounter".

The Solicitors Regulation Authority (SRA) yesterday said it may appeal against the decision.

An SRA spokesperson said: "We

are reviewing the judgment and will then decide on next steps."

The SDT said it decided not to strike Beckwith off as "this was a single episode of brief duration".

It also said Beckwith "had engaged in inappropriate conduct in circumstances where his judgement had been affected by the amount of alcohol he had consumed."

Beckwith's solicitor did not respond to requests for comment.

## STRIPPED AWAY Watchdog bans Pretty Little Thing advert for 'over sexualisation'



CLOTHING retailer Pretty Little Thing has been censured by the advertising watchdog over a campaign deemed to objectify women. The regulator said the Youtube ad presented the brand's clothes in an "overly-sexualised way".

### IN BRIEF

#### EY HIT WITH €95M CLAIM OVER TAX SCANDAL ADVICE

Big Four accountancy firm EY has been targeted with a €95m (£80.5m) lawsuit for advice it gave to a collapsed bank that allegedly defrauded the German state. The administrator to Maple Bank filed the lawsuit against EY in Stuttgart. The claim relates to the so-called cum-ex scandal which led to the closure of Maple Bank by German authorities in 2016. A spokesperson for EY Germany said: "We reject the allegations of the liquidator. We are unable to comment on any ongoing proceedings." Dividend stripping, or cum-ex trading, involved using a now closed legal loophole to claim tax credits for both buyers and sellers of shares by buying shares just before their dividends expired and then selling them on straight away.

#### GOVERNMENT CONSULTS ON RELAXING LICENCE FEE LAW

Culture secretary Nicky Morgan will today launch a public consultation on whether to decriminalise non-payment of the TV licence fee, ramping up political pressure on the BBC. Under current laws anyone who uses a TV or watches BBC iPlayer without paying the licence fee is guilty of a criminal offence. Those who refuse to pay the fine for non-payment, which can be as high as £1,000, face criminal conviction or even imprisonment. But the government is now seeking views on whether it should replace the criminal sanction with a different enforcement scheme amid a shift in viewing habits fuelled by the rise of streaming services such as Netflix, to "make sure the TV licence fee remains relevant".



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# Investors line up to plough funds into UK property

JESS CLARK

@jclarkjourno

REAL estate investors are planning to invest billions of pounds into UK property this year, after the UK's departure from the European Union offered some political clarity.

Investment in the UK's property market had slowed following the vote to leave the EU more than three years ago. However, the recent Conservative election victory has sparked a flurry of interest in British real estate, despite the fact that a UK-EU trade deal is yet to be negotiated.

La Salle Investment Management, which has £12.3bn in UK real estate assets, is expecting to invest a further £1bn in property in Britain this year.

Meanwhile, Ronald Dickerman, the president of Madison International Realty, told Reuters the private equity firm is "pursuing several possible transactions" in the UK property market.

Last year the firm announced it had more than \$1bn (£770m) to invest in central London real estate.

Other companies that are eyeing opportunities in the UK are Dutch property developer Breevast, Intermediate Capital – a London listed firm – and US companies CA Ventures and Invesco Real Estate.

The heightened clarity over Brexit has sparked an "unlocking of transactions", Ben Eppley, head of European commercial real estate debt at Apollo, said. Ghada Sousou, the chief executive of recruitment agency Sousou Partners, said her firm had been introducing international investors to UK property companies.

Research by CBRE found that investment in central London's office market soared in December.

The £4.9bn invested in the fourth quarter of last year was a 125 per cent jump on the amount invested in the previous quarter and was on par with 2018.



Ocado's sales grew 11.2 per cent year on year during the quarter

## Ocado retains crown as Britain's fastest expanding grocery store

ANNA MENIN

@annafmenin

OCADO has retained its position as Britain's fastest growing supermarket, with the online grocer achieving its quickest growth in the north of England.

Ocado's overall sales grew 11.2 per cent year on year during the quarter, with its market share rising 0.2

percentage points, according to data from Kantar.

Sainsbury's was the best performing Big Four grocer in the 12 weeks to 26 January with a 0.6 per cent drop in sales, leaving its market share marginally lower. Tesco was the second-best performer with a decline of 0.9 per cent, while Asda and Morrisons recorded drops of 2.2 per cent and three per cent.

## Surprising fizz for booze sales in Dry January

JESS CLARK

@jclarkjourno

SALES of beers, wines and spirits jumped last month suggesting plenty of UK shoppers fell off the wagon during Dry January.

Alcoholic drink sales lifted two per cent, recovering from disappointing trading during December, signalling that some Brits broke New Years' resolutions.

However, soft drinks sales were also up 2.8 per cent as others swore off booze for the month, research published by Nielsen showed.

Non-alcoholic beer sales also soared 37 per cent over the last 12 weeks, separate data published by Kantar yesterday revealed.

Veganuary prompted a 12 per cent spike in meat-free food sales, as thousands of consumers gave up animal products for the month.

Kantar head of retail and consumer insight Fraser McKevitt said its data showed the popularity of plant-based food is "not primarily caused by a rise in the number of people following strict vegan diets – vegans still make up just two per cent of the population and only five per cent of us are vegetarian".

## British supermarket property funding surges to its highest level in six years

JESS CLARK

@jclarkjourno

UK SUPERMARKET property deal value surged to a six-year high last year as investors targeted retail real estate with steady returns.

According to the latest research, property investors pumped £1.78bn into the UK supermarket sector in 2019, an 80 per cent jump on the previous year.

There were 48 transactions during

the year, up from 44 in 2018, with an average lot size of £37.07m.

If Sainsbury's and British Land's joint venture disposal of a £493m portfolio to US trust Realty Income is taken into account, the number of stores traded during the year hit 60.

Despite challenges facing the sector, investors were attracted to supermarket assets because most leases include rental increases in line with the retail price index, which drove rents above their open market

value. The average return from a UK supermarket property investment achieved during 2019 was 5.1 per cent net yield, research by Colliers International found.

The research showed that the grocery sector was the "stand-out performer" in a year that has been described as the "worst on record" for UK retailers. Tom Edson, head of retail capital markets at Colliers, said: "Investors looking for property assets which offer solid returns."

## Goldman partner barred from banking over 1MDB

ANGHARAD CARRICK

@angharadcarrick

THE GOLDMAN Sachs partner who was put on leave over the 1MDB scandal has now left the bank and has been permanently barred from the banking industry.

The US Federal Reserve said it is permanently barring Andrea Vella from the industry for his "role in Goldman's financing of a defrauded Malaysian sovereign wealth fund".

Vella was formerly Goldman

Sachs' co-head of investment banking for Asia Pacific, and was put on leave after an indictment against a former partner Tim Leissner identified Vella as a co-conspirator in November 2018.

Leissner pled guilty to the US Department of Justice indictment.

Goldman has been investigated by regulators in at least 14 countries, including the US, for its underwriting role in the scandal and what it did and did not know at the time of the transactions.

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Ai Weiwei was imprisoned in China on allegations of financial crimes

# Britain will regret Huawei decision, cautions Chinese activist Ai Weiwei

JAMES WARRINGTON

@j\_a\_warrington

THE UK will regret its decision to allow Chinese tech firm Huawei to build parts of the country's 5G networks, Ai Weiwei has warned.

The artist and activist, who has been exiled from his homeland since 2015, branded the move "short-sighted profit seeking", adding that the British would "feel sorry later".

Boris Johnson's government last week gave the green light to Huawei to help build the new mobile networks, despite warnings that the firm posed a risk to national security.

UK spooks admitted they did not trust Huawei, but said any risks to security could be managed, while industry experts welcomed the decision as a boost to the country's 5G rollout plans.

But in an interview with BBC Radio

5 Live, Ai yesterday accused the UK of ignoring the dangers in its pursuit of immediate profit.

"China has the most sophisticated surveillance that has so far been developed and they're fast developing this in an unthinkable way," he said.

Asked if the UK underestimated the threat from China, the artist said: "I don't know if it's underestimated or [if] it's intentionally given up all those values."

# Google admits to private video sharing blunder

JAMES WARRINGTON  
AND ANGHARAD CARRICK

@j\_a\_warrington @angharadcarrick

GOOGLE has been forced to alert some of its users that their private videos were inadvertently sent to strangers.

In an email to Google Photos users, the search giant said it had suffered a "technical issue" in Google Takeout — the function that allows people to download their data.

"Unfortunately, during this time, some videos in Google Photos were incorrectly exported to unrelated users' archives," the firm said.

Google has not provided any details about how many people were affected, nor the number of videos that were wrongly sent to other accounts.

It is understood that the issue was resolved after five days, and less than 0.01 per cent of users attempting to download their data were affected.

"We are notifying people about a bug that may have affected users who used Google Takeout to export their

Google Photos content between 21 November and 25 November," a Google spokesperson said.

"These users may have received either an incomplete archive, or videos — not photos — that were not theirs. We fixed the underlying issue and have conducted an in-depth analysis to help prevent this from ever happening again. We are very sorry this happened."

It follows reports that Google Photos is trialling a service that will send users physical copies of their photos. The programme, which will cost \$8 (£6.20) per month, will automatically select 10 prints from the previous 30 days of photos.

It came as the Irish data regulator yesterday said it has opened inquiries into the way Google and Tinder handle user data. The Irish Data Protection Commission (DPC) said it had received complaints relating to both companies from across the European Union. It will investigate the way Match Group processes user data, and Google's use of location services.

# Accenture closes media auditing arm amid conflict of interest row

JAMES WARRINGTON

@j\_a\_warrington

ACCENTURE is set to close its media auditing division amid concerns of a conflict of interest with digital marketing business Accenture Interactive.

The consulting giant runs a small division known as Accenture Media Management, which offers auditing and consulting services to brands.

However, the company has come under scrutiny over a potential conflict of interest with Accenture

Interactive, which has grown into a major new rival to traditional holding groups like WPP after buying up smaller agencies such as Droga 5.

"We have decided to ramp down the area of our business that performs media auditing, benchmarking and agency pitch services by the end of August," an Accenture spokesperson said. "As part of the plan, we will work with clients to fulfil existing commitments and support their transitions."

The firm said it would "redeploy" impacted staff across Accenture.

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# Ferguson mulls plans to leave FTSE 100 after demerger of Wolseley

JESS CLARK

@jclarkjourno

PLUMBING company Ferguson has launched a consultation with shareholders as it mulls a US listing following the demerger of its UK division Wolseley.

Ferguson said yesterday that it is considering two listing structures, one of which would see it seek an additional listing of its shares on a major US stock exchange while remaining part of the FTSE 100.

The other structure would involve a change of primary listing of Ferguson's ordinary shares to the US, meaning its London listing would be downgraded from premium to standard and booting it out of the FTSE 100 index.

Ferguson said the US is the "natural long-term listing location" for the



company, following the spin-off of Wolseley.

After the demerger, the group's chief executive and management team will be based in North America, and all of its revenue and profit will be generated there.

The company is hoping to unlock a "pool of capital" from US domestic investors following the shift.

Ferguson chairman Geoff Drabble said: "In assessing Ferguson's future listing structure, the board's approach has been to consider carefully what is in the best interests of the company and its stakeholders over the long-term."

"The board believes that Ferguson's natural long-term listing location is the USA but it is mindful that this is a complex issue for many of our existing shareholders."

Shares rose 6.9 per cent to 7,378p.

## SPIN OFF

### Amber Rudd joins City PR firm Teneo as an adviser

FORMER home secretary Amber Rudd yesterday said she would be offering City PR giant Teneo Blue Rubicon "strategic advice", after stepping down as an MP last year. Rudd worked closely with members of Teneo while campaigning for Remain in 2016.



## Glencore shares climb as cobalt offsets copper

EDWARD THICKNESSE

@edthicknesse

SHARES in global miner Glencore rose 5.1 per cent yesterday as the firm brushed off lower production volumes of metals such as copper, gold and silver.

Production of the red metal slipped six per cent in 2019 to 1.37m tonnes, whilst gold production fell 15 per cent to 848,000 tonnes.

The company has been beset by a raft of operational challenges in the last year, which knocked the share price as much as 19 per cent in 2019.

The commodities giant is also under investigation by the Serious Fraud Office, as well as the US Department of Justice, over allegations of bribery.

A 10 per cent increase in cobalt output was a particular highlight for Glencore, which had to close its Mutanda mine in the Democratic Republic of Congo ahead of schedule as a result of falling prices.

## Barrick boss blasts investors

EDWARD THICKNESSE

@edthicknesse

THE FAMOUSLY frank Mark Bristow, head of Barrick Gold, blasted asset managers yesterday for their new interest in ethical investing.

Speaking at a mining conference in South Africa, Bristow said: "Even late capitalism's supposedly

unvarnished practitioners have suddenly discovered the merits of a social conscience."

"To those people I say welcome to the club. I have been arguing for a long time that a good business also has to be a good citizen, especially in emerging countries," the Financial Times reported the gold miner's boss as saying.

### IN BRIEF

#### IKEA TO CLOSE FIRST BIG UK STORE THIS SUMMER

Ikea is preparing to close its Coventry store this year, which will be the first time it has shuttered a large site in the UK since its launch in the country 33 years ago. More than 350 jobs are at risk following the decision, which Ikea said was due to the "changing behaviour of customers in the area". The Swedish retail giant said customers prefer to shop at retail parks and online, rather than the large store format of the Coventry branch. The site, which was built in 2007, has seven levels meaning the operating costs are high, the company said yesterday.

#### FOOD FINANCE DIRECTOR QUILTS MARKS & SPENCER'S

The finance director of Marks & Spencer's food division has quit. Nick Hewitt, who was only in the role for a little more than a year, left last month to return to the US, according to Sky News. His departure from the retailer came just weeks after finance chief Humphrey Singer left the company. The retailer confirmed that Hewitt's role is being filled on a temporary basis by Adam Dobbs, an executive in the retailer's finance team. M&S said: "We will update on the appointment of our new food finance director in due course."

#### NIKE WARNS OF FINANCIAL IMPACT OF CORONAVIRUS

Nike yesterday said the coronavirus outbreak in China would have a financial impact on its operations in the country, its biggest growth market, sending the footwear maker's shares down three per cent at the bell. The company said it has temporarily shuttered half of the Nike-owned stores and is opening its other stores in China for fewer hours. China has been one of the biggest growth markets for Nike — the world's largest sportswear maker has relied heavily on the spending power of Chinese consumers to counter slowing sales growth in the US.

# Coca-Cola prioritises environment and health to appease customers

THE ENVIRONMENT, sustainability and personal health are increasingly important topics for Britons. As we become more accustomed to climate strikes, and groups like Extinction Rebellion and activists like Greta Thunberg become news mainstays, the average consumer is now much more aware of the impact of their purchases.

The impact that both sustainability and health are having on businesses can be seen by changes announced from one of the world's largest brands — Coca-Cola. The beverage conglomerate has pledged to use at least 50 per cent recycled material in its packaging by 2030 and has also focused on healthier products for consumers, in order to be "part of the solution".

Coca-Cola spent 2019 diversifying their fizzy drink offering towards healthier products, such as a sugar-free version of Coca-Cola.

YouGov data shows that of those who consume a non-diet carbonated drink at least once a week, six in 10 think their average sugar intake is too high, indicating an appetite for a healthier option. The company's



Stephan Shakespeare

efforts last year clearly resonated with consumers, as organic revenues from October to December 2019 rose seven per cent.

YouGov data shows that over half of Brits (54 per cent) say that the

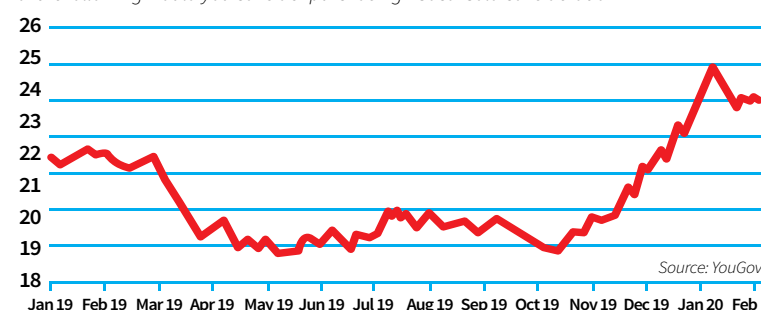
environmental sustainability of a product affects the decisions they make around food and drink, while almost two-fifths are influenced by sugar levels. This demonstrates clearly how these issues have permeated the industry and Coca-Cola's foresight to tackle them head-on.

As concern towards health and the environment becomes more common, businesses should adapt to reflect what consumers care about.

Stephan Shakespeare is chief executive of YouGov

#### CONSIDERATION OF COCA-COLA INCREASED THROUGHOUT 2019

When you are next in the market to purchase drinks, from which of the following would you consider purchasing - Coca-Cola consideration



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# Fuel prices rise in January despite widespread fall in wholesale costs

EDWARD THICKNESSE

@edthicknesse

DESPITE hefty falls in diesel and unleaded wholesale prices in January, the UK's four largest supermarkets increased fuel prices every day until a last-gasp cut on 29 January.

The drop in wholesale prices, which saw unleaded fall by 4p and diesel by 7.5p, should have been good news for UK drivers, but prices at supermarkets increased £1.51 and £1.30 respectively.

Across all retailers, unleaded rose 0.92p to an average price of £1.27, whilst diesel rose 0.96p to £1.32, according to data from the RAC.

On average, retailers made a 9p margin per litre of petrol over the course of the month, 4p higher than they have averaged since 2013.

The increase marked the second consecutive month of rising prices, and mean that it costs 50p more to fill up a 55-litre family car than it did in December.

RAC fuel spokesman Simon

Williams said: "Based on steadily falling wholesale prices January should have been a good month for drivers at the pumps, but instead they ended up being paying well over the odds at the pumps."

"Our biggest retailers – the supermarkets – blatantly resisted passing on the savings they were making to drivers until the RAC publicly called on them to do so on 27 January when RAC Fuel Watch data showed there was scope for a large cut."



The fall in wholesale prices was not felt by UK drivers as supermarkets hiked prices

# Micro Focus set to lose chairman as profit plunges

JOE CURTIS

@joe\_r\_curtis

MICRO Focus lost its chairman yesterday as it posted a huge drop in profit in a "challenging" latest financial year, triggering traders to offload the struggling firm's stock.

Operating profit sank 41.2 per cent year on year to \$221.7m (£170.9m) for the 12 months to the end of October.

Revenue also tumbled 29.6 per cent to \$3.35bn after the technology company blamed Brexit chaos for customers delaying IT purchases.

Sales fell 7.3 per cent on a constant currency basis, and core earnings dropped 2.6 per cent to \$1.35bn.

Net debt climbed by around \$80m to \$4.34bn, 3.2 times Micro Focus' earnings before interest, tax, depreciation and amortisation (Ebitda).

Basic earnings per share plummeted 103 per cent from \$181.91 in 2018 to a loss of \$4.87 per share.

Micro Focus paid a higher total dividend per share of \$1.166, up from last year's \$1.08.

Chairman Kevin Loosemore's time at Micro Focus ended with yesterday's latest set of negative numbers.

Traders sent Micro Focus' share price

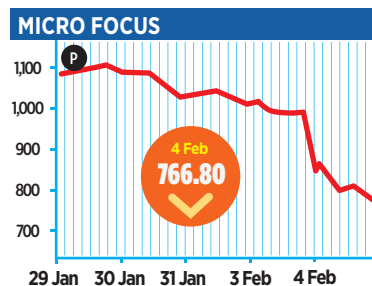
down 22.3 per cent to 766.8p at the bell yesterday.

Loosemore said he and the board "decided that now is the right time for me to leave", with Greg Lock stepping in as non-executive chairman on 14 February.

Loosemore came in to lead the company's initial public offering in 2005. But he leaves having overseen a huge drop in the British tech firm's share price after its problematic takeover of HP's software house.

The firm's stock has shed 64 per cent of its value since late 2017.

Loosemore also hit the share price when he dumped £11.6m worth of shares last year to "diversify" his investment portfolio.



The journey to and from Amsterdam is set to become direct both ways from April

## All aboard: Direct Eurostar trains to run from Amsterdam in April

JACK RICHARDSON

@JackRich93

EUROSTAR yesterday announced plans to roll out direct trains from Amsterdam to London later this year.

The route, set to launch on 30 April, will mirror the direct service from London to Amsterdam that launched in April 2018. Passengers currently have to change at Brussels in the opposite direction. The inbound journey from Amsterdam will begin with two daily services, with the figure set to rise later.

Customers will be able to book onto the service from 11 February, with prices starting at £35 one way.

Transport secretary Grant Shapps greeted Dutch ministers arriving at St Pancras station yesterday after a trial run of the service, saying: "We're continuing to invest in modern, efficient transport links with the continent so our businesses and tourism industry can flourish."

St Pancras currently runs three daily services from London to the Netherlands. Direct trains to Rotterdam will launch on 18 May.

## Britain failing to make most of e-scooter sales

JACK RICHARDSON

@JackRich93

THE UK is at risk of falling behind competitors in the race to benefit from e-scooters, a leading think tank has warned.

Britain could reduce levels of pollution and traffic in inner cities by legalising e-scooters, a report released today by the Adam Smith Institute said.

However, the UK is bound by laws dating from as far back as 1835 that prevent e-scooters from being used on public roads, bike paths and pavements.

"E-scooters are reducing emissions and busting congestion in more than 350 cities worldwide," the report said. "The multi-billion-pound industry has safely provided hundreds of millions of rides – including for communities and routes underserved by traditional public transport."

Matthew Lesh, head of research at the Adam Smith Institute added: "The UK should immediately legalise e-scooters and begin sharing scheme trial, with the appropriate regulatory regime."

The report suggested that e-scooters could replace two-thirds of short-distance car trips in cities, cutting levels of pollution and congestion.

The US has seen a boom of e-scooter riders in recent years, with around 30m users per year.

# Cyber firm Callsign set to announce bumper JP Morgan cash injection

JAMES WARRINGTON

@j\_a\_warrington

LONDON-BASED identity fraud firm Callsign is said to be on the verge of unveiling fresh funding worth tens of millions of dollars from Wall Street giant JP Morgan.

Callsign, which uses AI to verify the identity of users, is signing off on a deal with JP Morgan Asset Management, which manages \$2

trillion (£1.5 trillion) for global clients, Sky News reported.

The cash injection, which could be announced as early as this week, will reportedly move Callsign close to feted unicorn status – the term given to private businesses worth a billion dollars or more.

The investment is expected to come from a private equity division that sits within the bank's asset management arm and that has

previously backed tech firms including Twitter, according to the report.

Callsign, which was founded in 2012 by Zia Hayat, is one of a number of businesses cashing in on growing demand for authentication software amid a rise in cyber crime.

The firm has specialised in the financial services sector, and last year announced it will work with Lloyds, which is the UK's largest digital bank.

## LIGHTS, CAMERA, ACTION London firm ShortsTV rakes in \$1.1m for short movies



SHOREDITCH-based film company ShortsTV earned a cool \$1.1m (£840m) over the weekend for its slew of Oscar-nominated short films, including British-made short Learning To Skateboard In a Warzone (If You're a Girl)", which is set in Kabul.



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## LONDON REPORT

# UK shares leap as China acts to shore up the economy

UK SHARES jumped yesterday as China's central bank took steps to shore up the economy, easing fears about the global impact of the coronavirus epidemic, while positive corporate reports from blue-chips added momentum.

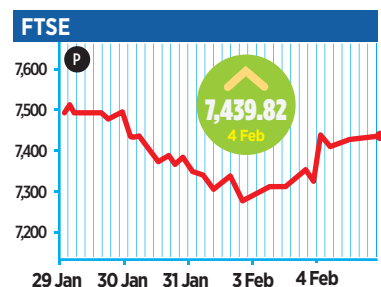
The FTSE 100 jumped 1.6 per cent, with the leader board dominated by BP, which rose 4.2 per cent after increasing its dividend, and plumbing parts distributor Ferguson up seven per cent at a record high as it mulls listing shares in the United States.

The FTSE 250 was also tracking Asian stock markets higher, adding 1.3 per cent. Both British benchmark indexes recorded their strongest day since mid-December.

Though worries over the fallout from

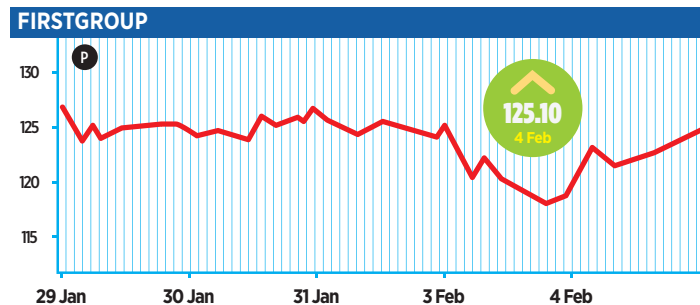
the coronavirus linger, markets are staging a comeback following a sell-off last week, with generally upbeat corporate earnings and economic data soothing some nerves.

Shares of **Glencore** jumped 5.2 per cent as the miner maintained its 2020 production targets.

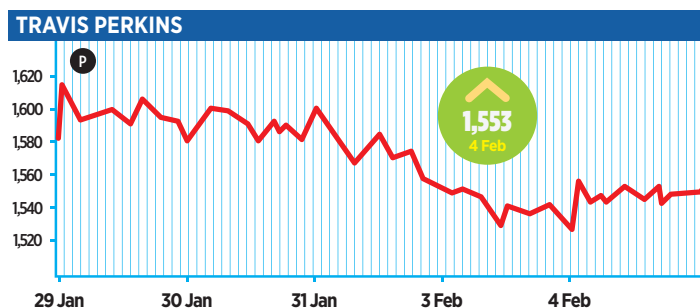


## BEST OF THE BROKERS

To appear in Best of the Brokers, email your research to [notes@cityam.com](mailto:notes@cityam.com)



Transport giant First Group has had some bumps in the road recently, including struggles with its South Western Rail and Transpennine Express. However the company is exploring the potential disposal of its First Student and First Transit arms, which Peel Hunt analysts say could unlock "considerable value". Analysts give the company a "buy" rating, with a target price of 164p.



Travis Perkins has built all the foundations of a good year. The builders' merchant is preparing to demerge subsidiary Wickes in the second half, leaving it with a more trade-focused business. Canaccord Genuity analysts say the streamlined firm should perform operationally better and stands to benefit from an improving housing market. They maintain their "hold" rating, with a target price of 1,720p.

## NEW YORK REPORT

# Wall St allays virus worries

THE NASDAQ hit a record high yesterday and the S&P 500 posted its biggest one-day gain in about six months as fears of a heavy economic impact from the coronavirus outbreak waned after China's central bank intervened.

The Dow notched its biggest single-day rise in more than five months, as the stock market recovered from steep losses in the prior week.

The People's Bank of China (PBOC) injected a total of 1.7 trillion yuan (£186.41bn) through reverse repos over the last two days, as the central bank said it sought to stabilise financial market expectations and restore market confidence.

The stimulus boosted investor sentiment even as fallout from the coronavirus from China is expected to deliver a short, sharp blow to both Chinese and global economic activity in the first quarter.

Technology shares led gains among the S&P 500 sectors, rising 2.6 per cent.

Shares of chip companies, which are particularly exposed to China, surged, with the Philadelphia Semiconductor index up 3.1 per cent.

## CITY MOVES WHO'S SWITCHING JOBS

### DECHERT

Global law firm Dechert has announced that Solomon J. Noh has joined the company's financial restructuring practice as a partner based in London. Solomon represents sophisticated investment managers in financial restructurings, financings, and mergers and acquisitions.

Recently, he represented a consortium of hedge funds in their bid to acquire multi-billion-dollar claims against a prominent Chapter 11 debtor. Andrew Levander, chair of Dechert,



commented, "Solomon's extensive experience and his focus on European and emerging markets will strengthen Dechert's market-leading global restructuring capability... and we are pleased to welcome him to the firm."

### JUST GROUP

Specialist UK financial services firm Just Group has announced the appointment of Michelle Cracknell as a non-executive director. Michelle is a qualified pensions actuary with over 30 years' experience. Until recently, she served as chief executive of the Pensions Advisory Service. Chris Gibson Smith, chairman of Just Group, commented: "I am pleased that Michelle will become a non-executive director of Just Group. She has

considerable experience in the retirement income market."

### CLEARCOURSE

Clearcourse Partnership, a group of innovative technology companies providing digital services, has announced the appointment of Jonathan Tiverton Brown as chief financial officer (CFO). As CFO, Jonathan will be critical to the group's ongoing operations, driving measurable value through the management of its core financial processes and reporting requirements. He joins following a successful career at KPMG, where he spent 10 years as a senior audit manager, gaining invaluable experience advising an extensive client portfolio. More recently, he held the

position of managing director of finance at Markit, a leading global information services provider in the UK. Jonathan commented on his new role: "I'm thrilled to have joined Clearcourse at such an exciting time in its evolution. Managing the financial operations of such a large a growing group of companies is an exciting task, and the dedicated group of people behind the business makes it an even more compelling prospect. I look forward to being a key part of the next phase of growth and beyond." Gerry Gualtieri, chief executive of Clearcourse, said: "We're very pleased to welcome Jonathan to the Clearcourse team... [he] is a highly experienced professional who will be key to the group's ongoing operations and ambitious growth objectives."

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## NEWS

# Takeda posts a surprising full-year profit in post-merger sales growth

### ROCKY SWIFT

TAKEDA expects to make an operating profit this fiscal year, compared with its previous forecast for a loss, thanks to sales growth in its core brands and savings from its purchase of Shire, the pharmaceutical firm said yesterday.

Japan's largest drug maker expects an operating profit of ¥10bn (£70m) for the year ending in March, versus its previous estimate for a loss of ¥110bn, it said alongside its third-quarter results.

That compares with analysts' average forecast for a full-year loss of ¥75.6bn from a poll of 13 by Refinitiv.

"The way business is progressing, the way we are delivering our synergies and managing our margin is very encouraging for next year," Takeda chief executive Christophe Weber said on conference call.

Takeda surprised markets in May last year when it reversed its full-year profit forecast to a loss, citing costs linked to its \$59bn (£45.3bn) Shire deal. It later revised the forecast to a smaller loss on strong sales of its core drugs.

The Shire acquisition, completed in January 2019, expanded Takeda's pipeline and diversified its global sales, with half now coming from the

US. The drug maker, now the 15th largest in the world by revenue, told investors in November it expected to launch 14 new products by 2024 that would deliver about \$10bn in peak yearly sales.

But while the Shire purchase gave Takeda global heft, it left the drugmaker with a large debt pile, which stood at about \$40bn at the end of December. To pare down debt, Takeda has pledged to dispose of \$10bn worth of non-core assets.

It completed \$7bn of divestments in 2019, including assets in the Middle East and Africa and a dry-eye drug sold for \$5.3bn to Novartis. Reuters

# Prudential's profit tops estimates on US results

### ABHISHEK MANIKANDAN

THE NUMBER one US life insurer by assets Prudential Financial topped Wall Street estimates for quarterly profit yesterday, driven by strength in both its domestic and international businesses.

Adjusted operating income at Prudential's US businesses jumped 25.9 per cent to \$841m (£645m), buoyed by a 37 per cent rise in adjusted operating income at its workplace retirement and group insurance unit.

Meanwhile it rose eight per cent to \$797m at its international businesses. Prudential's asset management

arm, PGIM, reported an 18.5 per cent rise in adjusted operating income to \$288m.

It managed \$1.31 trillion in assets as of the quarter ended 31 December, compared with \$1.16 trillion in assets a year earlier.

Net income attributable to the company rose to \$1.13bn – or \$2.76 per share – in the fourth quarter, from \$842m – or \$1.99 per share – a year earlier.

Excluding items, the insurer earned \$2.33 per share, beating analysts' average estimate of \$2.02 per share, according to IBES data from Refinitiv. Reuters



Market indices summary including FTSE 100 (7439.82), FTSE 250 (21439.93), FTSE ALL SHARE (4136.76), DOW JONES (28807.63), NASDAQ (9467.97), S&P 500 (3297.59), and currency rates for GBP, USD, and EUR.

GILTS table listing Treasury bills and bonds with columns for Price, Chg, High, and Low.

AEROSPACE & DEFENCE table listing companies like BAE Systems, Meggitt, and QinetiQ.

BANKS table listing financial institutions such as Bank of Georgia, Barclays, and BGE Group.

CHEMICALS table listing companies like Croda International, Elementis, and Johnson Matt.

CONSTRUCTION & MATERIALS table listing companies like Balfour Beatty, CRH, and Galliford Try.

DIVERSIFIED INDUSTRIALS table listing companies like Smith (DS), Smiths Gp, and Vesuvius.

ELECTRICITY table listing companies like Contour Global, Drax Gp, and SSE.

ELECTRONIC & ELECTRICAL EQUIPMENT table listing companies like Halma, Morgan Advanced, and Oxford Instruments.

EQUITY INVESTMENT INSTRUMENTS table listing various investment funds like 3i Infrastructure and Alliance Trust.

FOOD & DRUG RETAILERS table listing companies like Greggs, Morrison (WM), and Ocado Gp.

FOOD PRODUCERS table listing companies like Asoc British Foods, Bakkavor, and Cranswick.

FORESTRY & PAPER table listing companies like Mondi and 3i Group.

GENERAL FINANCIAL table listing companies like Ashmore Gp, Brewin Dolphin, and Close Brothers.

GENERAL RETAILERS table listing companies like B&M, Dixons Carphone, and Dunelm Gp.

FIXED LINE TELECOMMUNICATIONS table listing companies like BT Gp, TalkTalk Telecom, and Telecom Plus.

HOUSEHOLD GOODS table listing companies like Barratt Devel, Bellway, and Berkeley Grp Hldgs.

INDUSTRIAL ENGINEERING table listing companies like Bodycote, Hill & Smith, and IMI.

INDUSTRIAL METALS table listing companies like Evraz, Ferrexpo, and Melrose Ind.

INDUSTRIAL TRANSPORTATION table listing companies like Clarkson, Fisher (James), and Royal Mail.

LEISURE GOODS table listing companies like Games Workshop, Aviva, and Lancashire Hldgs.

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PHARMACEUTICALS & BIOTECHNOLOGY table listing companies like AstraZeneca, Dechra Pharma, and Genus.

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RETAIL table listing companies like Asda, Matala, and Next.

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EU SHARES table listing various European companies and their stock prices.

CRYPTO A.M. DAILY POWERED BY BEQUANT. Includes CRYPTOCURRENCIES table with Bitcoin, Ethereum, etc., and a text analysis of the crypto market.

COMMODITIES table listing prices for Gold, Silver, Copper, etc.

TOURIST RATES table listing travel costs for various countries like Canada, Croatia, etc.

US SHARES table listing various US companies and their stock prices.



## FORUM

EDITED BY RACHEL CUNLIFFE



# Trump's plan has shifted the Palestinian direction of travel

**H**ISTORY is usually a cruel mistress to its losers, particularly in the case of peoples attempting to create new nations who failed in their aspirations.

Not much is heard today of the Republic of Biafra, for example, an attempt led largely by the Igbo people to create an independent state carved out of Nigeria's eastern provinces between 1967 and 1970 which ended in defeat. Nor is the memory of the Katangese secession of 1960–1963 from what is now the Democratic Republic of the Congo easily recalled.

History's losers have largely faded into irrelevance. The international community at large has accepted that time cannot stand still while old arguments wait to be resolved. On the contrary, we have realised that history is dynamic. Circumstances change, and it is almost always understood that people must change with them.

Except, it appears, in one glaring case: that of the Palestinians.

Since 1948, and the United Nations creation of a Jewish and Arab state in the former British Mandate of Palestine, a unique international fixation has emerged with the Arab part of that equation.

The beginning of the Arab-Israeli conflict is too torturous to fully recount but it can be summed up thus: the Jews of Israel – having spent 2,000 years as part of history's losers' club – grabbed the UN decision to re-establish a Jewish homeland, despite the territory offered being minimalist in nature. Their Arab neighbours did not, and set

Alan Mendoza



out to destroy them. They failed, and we have lived with the legacy of that Arab rejectionism since.

In more recent years, the Palestinians – whose territorial ambitions were dampened by Egyptian and Jordanian control between 1949 and 1967, before they were awakened by the political needs of Arab states to champion Palestinian nationhood – and the Israelis attempted to negotiate peace with one another.

But old habits die hard. The Palestinians claim to want a state. But they are the first people in history who have not grasped every and any opportunity to create one a plate to them.

Since the Oslo Accords in 1993, the entire trajectory of the peace process has been one of greater Israeli con-

cessions, followed by Palestinian rejectionism. This reached its apogee with Mahmoud Abbas's turning down of the Olmert Plan in 2008 which promised 94.2 per cent of the West Bank to Palestine, Jerusalem as a joint capital, a symbolic Right of Return of Palestinian refugees, and international control of the holy places.

There has also been a pronounced ratchet effect, whereby Palestinians have come to expect that the next round of negotiations would not start from the status quo ante prior to the failed peace plan in question, but from the final rejected offer. History, they thought, was inexorably moving in the direction of one of its losers. Until now.

Because for the first time, a peace plan has been presented – this time by US President Donald Trump – that offers the Palestinians less, rather than more. A two-state solution remains, but one with greater Israeli territory, and with Jerusalem and refugees off the agenda.

Amid Palestinian howls of outrage, something equally extraordinary has happened. Arab states including Saudi Arabia, the UAE, Oman, Bahrain and Egypt have welcomed the unveiling of Trump's plan, even if they have not entirely agreed with its content.

The time since the start of the peace process has revealed to them that the greatest threat to their security is not Israel, but – in common with Israel – Iran. Palestinian maximalist demands are therefore of less interest to them than a workable deal to end the conflict.

Even the UK has clambered aboard the Trump train, breaking with the

EU's predictable opposition, as befits a newly independent nation making its own strategic decisions.

All this matters because one of the reasons that previous peace plans foundered was that the Palestinians were allowed to think that history would stand still until their old fantasy of a Palestine "from the river to the sea" became achievable. Arab states and western powers imposed no penalties for rejectionism, encouraging the conflict to drag on.

The Palestinians have other problems to be sure – a political division between the Fatah and Hamas movements preventing unity, and a lamentable failure to present credible leadership foremost among them. But we cannot escape our culpability for their predicament – not because of western support for Israel, but as a consequence of the failure of the west to encourage Palestinian leaders to bring a Palestinian state into existence.

Trump's peace plan is a good start in reminding the Palestinians that history waits for nobody, and that if they choose to absent themselves from deliberations, they can expect decisions to be made by others – and not to their liking.

What would be even better is if the international community now seizes the opportunity that Trump's plan represents to force the Palestinians to end their rejectionism of the Palestinian state they claim to want, and for Palestinian leaders to finally take responsibility for Palestinian futures.

Alan Mendoza is executive director of the Henry Jackson Society.



Circumstances change, and people must change with them

# The 'graduate premium' is little more than a myth – invest in further education instead

**U**NIVERSITIES and their students are seldom out of the news. Ever since Tony Blair pledged to send 50 per cent of 18–21 year olds to university, they have been a persistent topic in political economy.

University towns now notoriously favour Labour at the ballot box, often an island of red in a surrounding sea of blue. One of the few rational policies of Jeremy Corbyn in the last election was the commitment to write off student debt. It was an excellent way for him to gather votes.

A key argument put forward for increasing student numbers was the existence of the "graduate premium". Over their working lives, graduates earned more than non-graduates, so the expansion of universities would be positive for both individuals and the economy.

Quite a few commentators at the time argued that this rise in gradu-

Paul Ormerod



ate supply was unlikely to be met by a corresponding surge in demand. The graduate premium would therefore not persist, certainly not for the lower ranked universities. Why pay extra for something which is in excess supply?

This is exactly how it has turned out. Many graduates end up in mundane, low-paying jobs. The Office for National Statistics shows that 31 per cent of graduates have more education than is required for the work they are doing.

And what about the 50 per cent of the age group who do not go to university? It is ironic that the left-wing

parties shed tears for indebted university students, who in general have more privileged backgrounds. They have little to say about the rest.

All school leavers at 16 must now stay in some form of education until 18. Most attend a further education (FE) college, often combining this with a part-time job.

A lot is heard not just about universities but about the impact of "austerity" on schools. But within the education sector, it is the FE colleges which have experienced the greatest cutbacks since 2010.

Here is a great opportunity for the government to both increase the level of human capital in the economy and be seen to be delivering for the "left behind". There are already rumours that the chancellor is planning a big increase in spending on FE in the March Budget.

Investment in university students has gone well past the point of diminishing returns. In contrast, the neglect of the FE sector offers the

chance of getting a real return on increased spending.

The obvious beneficiaries will be the young people who do not go to university. With extra skills, they can earn an "FE premium". It may be modest, but being able to earn even £10 an hour instead of the minimum wage makes a big difference to the individual concerned.

There could also be major benefits to the economy as a whole. The UK is notorious for the so-called "long tail" of productivity. Many SMEs have low productivity levels, so increasing the quality of the labour available gives them the chance to address this problem.

Big spending increases on FE colleges, and less attention to universities, are win-win for the government.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor in the Department of Computer Science at UCL, and author of *Against the Grain: Insights of an Economic Contrarian*.

## LETTERS

TO THE EDITOR

## Held to account

[Re: The ethical executive is coming to a boardroom near you]

As we enter what the UN has penned the "decade of delivery", a bridge is starting to be built between businesses and activists.

This is a pivotal shift, but it also triggers questions. Who is the right person for the job? How do you measure success? How do you communicate this accurately to stakeholders? Accountants will have a significant role to play in this shift.

However, simultaneously, the industry is under scrutiny in terms of its responsibility, accountability, and overall structure. This is no bad thing, but it's part of a wider discussion about the corporate governance world, and where responsibilities lie.

As the role of the audit profession continues to be questioned, there's a huge amount of goodwill to move towards better disclosure of risks and responsibilities around climate change, but goodwill alone will not get us there.

If we don't address the hard questions first, we risk an obfuscation of accountability and measurability. Given its critical importance, we don't want to be doing a "climate review" in 10 years' time when it may be too late – we need to be doing it now.

As the threat of climate change is driving modifications in corporate culture, strategy and reporting, our role as accountants must be to help companies demonstrate measurable success. Getting it wrong not only risks a missed opportunity in financial reporting, but the longer term risk of not acting to stop climate change.

Helen James, corporate finance partner, HW Fisher



## BEST OF TWITTER

Great that the phaseout date for new petrol & diesel cars will be brought forward, & that nature restoration's role in climate action will be highlighted  
@samuelhallo

A 2035 phase out date lacks ambition for the climate & for industry. Electric vehicles will be as cheap as diesel & petrol by the mid-2020s. It makes no sense to continue selling polluting vehicles that will be more expensive to buy & run into the 2030s  
@AndyMcDonaldMP

Govt plans to ban petrol and diesel cars by 2035. This means nobody will want to buy a new one after approx 2028, so no point manufacturing any for the home market after then. Yet electric charging points v expensive to set up. Have they thought this through?  
@oflynnsocial

Petrol and diesel car sales ban brought forward to 2035. Futile gesture politics (and very expensive). UK only 1% of man-made carbon emissions. We are the "leader" against "climate change" but few are foolish enough to follow.  
@RuthLeaEcon

Having an existential crisis because I've suddenly realised I don't know what the word "quantum" means. Obviously it's a discrete quantity or whatever, but "discrete quantity computer" is meaningless. WHAT DOES QUANTUM MEAN?  
@jaron



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# Champion of free trade? The PM must match rhetoric with action

**F**OR BELIEVERS in free trade, Boris Johnson's speech in the Painted Hall on Monday was, in many ways, highly encouraging. The Prime Minister emphasised the role that free trade has played in lifting some of the poorest people on the planet out of poverty, name-checked Adam Smith and his invisible hand of the market, and deplored the fact that "mercantilists are everywhere" as he criticised both tariff and non-tariff barriers to trade.

What's more, the symbolism of delivering his speech from the Old Royal Naval College could not have been clearer: trading with countries across the world is what has contributed to the UK's wealth and prosperity.

The Prime Minister is absolutely right. Thanks to Britain's rich history of abolishing protectionist measures such as the Corn Laws and pursuing trade with other countries, our nation has prospered. And we are not alone. Tens of millions of people have seen their lives improved in a way that is unprecedented in human history, as their governments embraced the principles of free trade over the past few decades.

But the world is changing. Today, with Donald Trump taking an increasingly isolationist approach to US foreign policy and other countries retreating from the globalist outlook, it is vitally important that the UK steps up to champion the case for free trade.

I do not doubt that Johnson is enthusiastic about using the opportunity presented by Brexit to forge an independent, outward-looking trade policy. However, if he is not careful on other fronts, he could risk undermining his globalist instincts.

**Ben Ramanaukas**



Take the negotiations with the EU. These will no doubt be complex and politically charged (they already are), but Johnson would do well to not focus too hard on newspaper headlines about the need to be tough with the EU, and instead recognise that a free trade agreement with our European partners is mutually beneficial.

The main prize of Brexit is the opportunity to forge partnerships with the rest of the world, including emerging markets, but it would be foolish to forget that the EU is still our biggest trading partner. And no matter how many other exciting trade deals the government strikes with countries around the globe, remember that distance still matters when it comes to trade — and so it would be wrong to turn our backs on the EU.



**If Boris Johnson is not careful, he could risk undermining his globalist instincts**

The Prime Minister's comments during the election were also a red flag. He promised to introduce new state aid rules which would allow our government to support failing UK industries.

While this might appeal many of the people who voted for the Conservatives for the first time in December, it would be a mistake.

Using taxpayers' money to bail out unprofitable industries, or implementing tariffs which would tax imports, would be incredibly damaging — to British consumers, and to the economy. It would deprive the UK of enjoying the benefits of free trade: goods and services would become more expensive, economic growth would stagnate, and those on the lowest incomes would suffer the most.

Finally, there is immigration. Unfortunately, it looks as though freedom of movement between the EU and the UK will come to an end. This is disappointing. Immigration is not just a good thing in itself, injecting energetic and talented workers into the UK labour market — it also helps to boost trade between countries.

As such, if the government is set on reducing the numbers of EU migrants, it should aim to introduce freedom of movement between the UK and Australia, Canada, and New Zealand. This could then be expanded to other countries.

Free trade is great, and the Prime Minister is right to say that this country should champion it. However, he should ensure that he doesn't find himself inadvertently implementing policies which would undermine it.

*Ben Ramanaukas is a research economist at Oxford University.*

## DEBATE

### Should the government scrap plans to impose an extra 20-week delay on divorces?

The government's reason for introducing the new 20-week delay appears to be to ensure that couples have a period to "reflect on the decision to divorce", "change course", or "agree arrangements for the future" if divorce is the only option.

This law is shrouded in misplaced paternalism seeking to protect "weak-minded" people who are divorcing rather than choosing the righteous path of staying within their marriage — however unhappy.

If you have been in an abusive relationship, you do not need further time to reflect. If you are pregnant with someone else, you might wish to remarry before the baby is born. Whatever your circumstances, the

**YES**

**EMILY BRAND**



choice to divorce is highly personal.

As a family lawyer, I cannot recall ever meeting a potential divorcé who has not agonised over the ending of their marriage. Regardless of sex, religion, or sexual orientation, everyone has the right to determine how they shape their family lives — and, once that decision is made, the law should not interfere.

*Emily Brand is a partner at Boodle Hatfield.*

**NO**

**JO EDWARDS**



This isn't about adding extra delays to the divorce process. The new law will be based on notification — one or both of the spouses signifies that they think the marriage has broken down, after 20 weeks they will be entitled to their "conditional order" and six weeks later the "final order". The Bill going through the House of Lords today says that the 20 weeks should begin from the date of the petition, not from service, and I completely agree with this approach.

The effect of the 20-week rule will not be to slow the process down. The reality is that undefended divorces under the present system have been getting slower for a number of years (especially since the opening of centralised divorce centres) and now take up to 12 months.

The 20 week rule notification brings us into line with many European countries, which either have short periods of notification or shorter periods of separation than required under our present law (two years).

Reform is not about the pace of divorce or disposability of marriage; it is about making divorce a kinder process.

*Jo Edwards is a partner and head of family at Forsters LLP.*

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# PERSONAL FINANCE



## VENTURE FORTH

**Philip Salter** explains how pension savers can boost their retirement pots and help British businesses to grow

**T**HE WORLD is getting richer. Every day, we find ways to do things more efficiently – and when we do, those benefits diffuse across the country and throughout the world.

But this diffusion isn't always noticeable, evenly spread, or quick enough for many. For the economic system to maintain legitimacy, people need to believe that they're benefiting from it.

Over the years, politicians have talked a lot about Britain as a property-owning, share-owning democracy. Now it's time to take that aspiration seriously.

We are struggling on the property-owning front. The proportion of people owning their own home has collapsed since the financial crisis – more than for any other European country – with those aged under 40 disproportionately affected.

The UK is doing a little better on the share-owning front. Auto-enrolment, whereby millions have been automatically enrolled into a workplace pension scheme unless they actively opt out, has been a success. The proportion of private sector eligible staff participating in a pension has increased sharply from 42 per cent in 2012 to 85 per cent in 2019.

The total amount saved has gone up too, with the latest data showing £90.4bn in 2018 – an increase of

£16.8bn from 2012. It is estimated that by 2025, £1 trillion will be saved in defined contribution (DC) schemes.

However, while there are worse things a government can encourage people to do than save for their retirement, pensions are only as valuable as their eventual returns. Most pension funds are invested in low-risk equities and bonds. This is sensible for the bulk of allocations, but we might be missing out on a vital slice of economic growth: venture capital.

UK pension funds are lagging behind the rest of the world when it comes to VC investment. Public pension funds contribute 65 per cent of the capital in the US VC market and 18 per cent in Europe, but just 12 per cent in the UK.

"Past performance may not be indicative of future results" is a mantra to live your life by. However, venture capital has produced impressive returns. A report by the British Business Bank and Oliver Wyman found that, between 1970 and 2016, venture capital and growth equity returned on average 18 per cent per year, compared to 11 per cent for the MSCI World Index.

The report estimates that the average 22 year old automatically enrolled into a workplace pension over their working life could boost their total retirement savings by seven to 12 per cent with a five per cent allocation of their fund in venture capital. Of course, "could" is doing a lot of work

here, but the potential is clear.

Perhaps more importantly, the same study found that venture capital hasn't been very closely correlated with equity markets over the decades since it took off: a 10 per cent (approximately) correlation between global venture capital/growth equity average returns and MSCI World Index returns between 1970 and 2016. Estimates vary, but a proven lack of correlation offers diversification, which can mitigate against downturns.

So why are UK pension funds so reticent to invest more in venture capital? While there aren't explicit bans, there is a 0.75 per cent cap on annual charges for DC pension funds which

is holding back investment.

The cap is understandable. After all, outside of pensions it's fair to say that too many retail investors' long-run returns are eaten away by high management fees. In fact, most people would be better off putting the majority of their savings in low-cost trackers.

But the unintended consequence of trying to push pension pots away from costly funds is that it precludes them from putting a small but important proportion of their investments into venture capital.

Due to the costs associated with actively managing a fund, venture capital funds tend to charge a two per cent management fee and then a 20 per cent performance fee based on returns, which have no theoretical cap. This makes managing the 0.75 per cent cap required for pension funds technically difficult were they to diversify in this way.

This issue was acknowledged by the UK government in 2017, and it committed (not that any government can really commit a future government in this way) to review the cap this year.

Given the long-term nature of venture capital investments, pension funds are well placed to benefit from the illiquidity premium – that is, the premium that comes from being able to tolerate not being able to sell the asset easily. However, because of the nature of current investments,

pension funds have got into the habit of offering daily valuations.

Regulations require pension fund investments to be valued regularly, but the rules around how and when to present the value of venture investments is causing confusion. This is another area that needs more clarification from both the government and regulators.

It's the law of unintended consequences that a seemingly sensible, minor regulation on fund charges is having such a significant impact. It's not just investors who would benefit from a pension industry more open to venture capital: British businesses up and down the country would gain from this fresh source of capital.

The knock-on impact this would have for workers, small businesses in the company's supply chain and the communities in which they operate cannot be underestimated.

Businesses are staying private for longer – last year the number of IPOs fell by a fifth to 1,237 – while private equity deals are skyrocketing.

If it's a shareholding democracy we want, let's make sure that people are able to capture as much of the country's economic growth as possible. Let's not leave venture capital out of the mix of our pension pots.

.....  
 ● Philip Salter is founder of The Entrepreneurs Network.

“  
 Given the long-term nature of VC investments, pension funds are well placed to benefit from the illiquidity premium



# Business Travel

## Business travel needs to be part of our 2020 vision

As the UK leaves the EU in 2020, developing trade links has never been more important – business travel is an integral part of making those needs a reality.

**CLIVE WRATTEN**  
CEO,  
Business Travel Association



2020 is a critical year for the UK, and business travel will play a vital role. In the last few days, the UK has officially left the European Union and now more than ever, the need for us to strike frictionless trade agreements with other nations is of critical importance. As our largest trading partner, the EU is chief among these, but the need to trade effectively with markets across the globe is also essential to the UK's future prosperity.

### Business travel can oil the wheels of trade

Business travel is a vital part of building and sustaining trade links across the globe. It enables that crucial face-to-face contact from which trade deals can be struck.

While the need for travel should always be considered responsibly, there is rarely an equally effective alternative to face-to-face meetings.

This makes business travel a significant contributor to the health of UK public listed companies (PLCs), and so, ensuring it remains frictionless is vital.

### UK Government must prioritise investment in the transport infrastructure

This means that the UK Government must prioritise its investment, and create the right conditions for external investment, in the UK's transport infrastructure.

This will enable the BTA's members to drive a growth in business travel that supports our desire to grow as a trading nation.

At the top of the priority list is more runway capacity for the space-constrained South East, and faster and more frequent train services between our major cities.

The UK's two largest airports

- Heathrow and Gatwick - account for 120 million passengers annually. Both have a lack of capacity, which is seriously limiting the launch of new air routes to emerging markets, and additional flights to existing destinations. The construction of new runway capacity is both far from certain and several years away.

These challenges are not limited to the skies. The vitally important HS2 train line is a crucial link between the South East and the burgeoning Northern Powerhouse. Efficient connectivity between these two economically vital parts of the UK is of crucial importance and yet the mood music from the new Government about HS2 is far from positive.

### The UK's high air travel taxes could be hindering our global connectivity

In addition to investing in

infrastructure that makes business travel frictionless, considering the necessity of taxes on travel is also of great importance.

As an island nation, the UK is heavily dependent upon aviation to maintain its global connectivity. Rather than embracing this, the Air Passenger Duty (APD) the UK imposes is the highest air passenger tax in Europe - damaging economic growth and jobs.

Reports have highlighted that the financial cost burden to UK exports are far greater than the £3.4bn raised annually in APD.

To ensure it doesn't hamper our efforts to trade effectively overseas, APD should be reduced by at least 50% and travel in premium economy – a popular option for many business travellers – should not be taxed in the same band as first and business class travel.

Additionally, the revenue from the

tax shouldn't just be collected in a central Government 'pot', but instead put to better use by being invested in environmental measures such as the development of aviation biofuels.

Finally, it's worth remembering that, in addition to being crucial to developing trade, business travel is a major industry in itself. The BTA's members between them make over 32 million transactions each year, supporting more than 12,000 jobs and driving annual revenue of more than £10 billion.

So, as we focus our 2020 vision on trade, let's remember the vital role that business travel plays in making that possible. ■

Read more at [businessandindustry.co.uk](http://businessandindustry.co.uk)

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## Improved behavioural insights can ensure quality business travel

A long flight, a lost rental car reservation or an overbooked hotel can spell disaster for business travellers. Travel buyers know the real cost of an ineffective travel programme and work diligently to optimise their systems.



**LEIGH BOCHICCHIO**  
Executive Director,  
The Association of Corporate  
Travel Executives (ACTE)

The lack of standardised, holistic measurement tools can make demonstrating success a challenge, and even negate progress.

### Shortcomings in financial metrics

Traditional financial metrics are relatively easy to track, making them some of the most popular forms of measurement, based on a recent study<sup>1</sup> by the Association of Corporate Travel Executives (ACTE) and BCD Travel.

The study found that of the surveyed travel buyers, 91% use spend and savings to inform their travel programmes, and 84% track booking statistics.

While financial metrics are certainly important to the organisation and its business goals, they cannot provide a full picture of a travel programme's strengths or shortcomings.

The pure expense of transportation and lodging fees may not accurately represent the cost of a trip, ignoring factors like traveller productivity and trip efficiency. Anyone who has suffered a maddening day of travel knows it can have a real impact on the quality and speed of their work.

### Obstacles to better measurement

When considering experience-based factors like trip success and traveller friction, the lack of an industry-wide definition can hamper effective measurement.

Travel managers agree that considering these aspects of their programmes can help their organisations better understand traveller needs, as well as improve services (47%) and policy compliance (37%).

Another key obstacle to better quality measurement in business travel is a lack of reliable data – low traveller feedback rates and the subjective nature of many metrics can lead to fragmented and unreliable data.

Working from incomplete data sets may mislead travel buyers as they assess their programmes, undermining their efforts to improve.

Engaging with stakeholders and gaining their buy-in presents a third obstacle to quality measurement. In fact, 25% of travel managers find it difficult to get senior leadership buy-in – which can be a major impediment to change.

### Building stronger data sets for successful future travel programmes

Creating a well-framed rubric for gathering objective and subjective data will help the industry gain a more balanced view of the value and success of a corporate travel programme.

ACTE and BCD Travel are working to bring the industry together, building consensus in how to measure programme success. As a first step, we've defined four terms (traveller engagement; traveller friction; traveller satisfaction and trip success rate), as well as provided recommendations for how to begin measuring each of these metrics – and this is just the beginning. ■

Source: 1: [https://www.cvent.com/pub/eMarketing/Pages/WebEmail\\_New.aspx?emstsub=7505b-ff4-86a3-42c9-9088-84c55a68387e](https://www.cvent.com/pub/eMarketing/Pages/WebEmail_New.aspx?emstsub=7505b-ff4-86a3-42c9-9088-84c55a68387e)



## How TMCs improve business travellers' safety

Recent UK Government figures found that UK residents took almost 6.6<sup>1</sup> million overseas business trips, a figure that has remained fairly consistent in recent years.

Improvements in technology have provided alternative communication options for many companies, for example, video conferencing. However, face to face meetings are still essential.

Managers who send their staff overseas on business trips will have concerns regarding their duty of care towards their employees.

Research by ABTA among buyers of business travel, found terrorism and security threats, as well as harassment or violence against staff, were among the top concerns for managers.

The research also highlighted that while the percentage of staff reporting problems in these areas were low, safety and security must be taken very seriously.

Using a reputable Travel Management Company (TMC) is one way for managers to address their concerns over the safety and security. TMCs should be able to provide reassurance that their suppliers are reputable and trustworthy.

### Political turbulence must be closely monitored for business travellers

We live in a volatile world with certain destinations affected by political instability, terrorist threats and war. The Foreign and Commonwealth Office (FCO), through its network of embassies, consulates and other diplomatic sources, monitors potential safety threats to British nationals throughout the world.

If the FCO views that the threat level has increased and is unacceptably high, it may advise against travel to a destination. At this point, British nationals in the

relevant destination should leave at the earliest opportunity.

Business travellers, unlike leisure visitors, may have to conduct business in countries with high levels of risk. Therefore, it is very important that changes to FCO advice are closely monitored.

TMCs are ideally placed to monitor changes, contact their customers to inform them of the change and arrange repatriation as soon as is possible.

It is very important that this monitoring takes place around the clock; failure to act could have extremely serious consequences.

### TMCs advise business travellers of local customs

FCO advice is also an invaluable source of information on local laws and customs, which can vary drastically from the United Kingdom.

TMCs should be fully aware of any differences and inform their customers accordingly. Not only could this prevent a client breaking the law, but also avoid committing a serious social faux pas and even help seal a deal.

### Is my travel supplier reputable? TMCs can offer reassurance

Just as with the wider public, younger business travellers are

often keen on using accommodation or transport services provided by peer to peer businesses and other 'disruptors'.

The way these newer business model operate may not always meet the requirements of organisations' staff welfare policies.

TMCs can offer guidance on this and offer more suitable, convenient alternatives in line with the requirements of their corporate clients. ■

Sources: 1: ONS 2018 Travel Trends Report



**MARK TANZER**  
Chief Executive,  
ABTA

### More info

ABTA is hosting a seminar on Business Travel Risk Management on 22 April 2020 in central London, offering insights into the emerging threats in business travel and how organisations can mitigate against these risks.

For more information visit [www.abta.com/abtaevents](http://www.abta.com/abtaevents) or email [events@abta.co.uk](mailto:events@abta.co.uk)



# Why investing in business traveller wellbeing pays off

In the past, the business travel experience could be a bumpy, stressful ride. But today's business traveller expects a process that's smooth and streamlined, augmented by intuitive, easy-to-use technology.



**RICHARD VINER**  
UK Country Manager,  
TravelPerk

**M**odern companies are learning to balance saving money with understanding their travellers' needs in order to maintain a healthy, happy workforce. The key? Embracing a modern, automated travel management process.

## Frequent travel can increase the risk of depression and anxiety

It's no surprise that business travel can induce a long list of stressors. From disrupted sleep patterns to delayed transportation, the negative effects of the road-warrior lifestyle can be numerous.

Travellers are prone to behavioural and physical risks, including depression and anxiety, leading to escalating costs for companies due to reduced employee performance and burnout.

Travel spend is notoriously one of the hardest costs for companies

to keep under control. Outdated budgeting systems make it nearly impossible to keep track of the cost of employee travel.

Historically, whenever companies sought to reduce travel spend, their first reflex was often reactive, negatively impacting travellers and ultimately increasing costs. Short-term measures often took precedence over longer-term travel management planning.

## Don't let cost cutting jeopardise employee health

Maintaining a healthy, travelling workforce is one of the best ways for companies to lower travel spend costs. By understanding what works for travellers, companies can build a tailored, automated travel management programme that keeps business travel wellbeing at its core, mitigating risk factors like escalating costs, while still providing for employee preferences.

## Automated technology can personalise and streamline travel

Technology can be utilised to improve traveller wellbeing, increase job satisfaction and decrease costs for companies. Corporate travel automation can have a lasting effect on this important aspect of business.

Automation enables self-booking, allowing travellers to book the types of trips they want (especially with cost-saving options like Airbnb included) within travel policy, one that can be embedded into a modern booking platform to ensure compliance.

Platforms that enable easy booking, in addition to simplified approval flows and integrated expense management, make modern business travel processes frictionless.

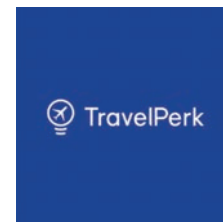
Any problems travellers encounter on the go can be easily resolved with platforms that provide access to 24/7 customer support via chat through their app, as well as by phone and email.

As modern travel companies look

increasingly towards technological growth to aid companies in making business travellers happy and travel management more time and cost-effective, innovations in the marketplace are flourishing.

For example, new features like FlexiPerk by TravelPerk, allow travellers to cancel business trips at any time and get 90% or more of their trips refunded with a simple click inside the app. Saving costs when it comes to business travel has never been easier, and companies can do so safe in the knowledge that their travellers will still enjoy a great, supportive experience. ■

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## About TravelPerk

TravelPerk's all-in-one platform allows travellers the freedom to book their own trips while giving companies control, saving time, money, and hassle for everyone. With the world's largest travel inventory, powerful management features, 24/7 customer support, and state-of-the-art technology and design, TravelPerk enables companies worldwide to get the most out of their travel.

# How emerging tech is creating the next generation business rail traveller

Companies are realising that rail travel offers bigger benefits than air or road, and that emerging travel technology can make life easier for them — and their employees.



**DAVID HIGGINS**  
General Manager,  
Trainline Business

**H**istorically, rail has been an under-served transport mode for business travellers, mainly because air and car transit have been the default options for many companies.

But that's changing, notes David Higgins, General Manager at Trainline Business, the B2B arm at digital rail and coach travel platform, Trainline. Demand for rail travel is increasing among the business community for two key reasons:

Firstly, companies are beginning to appreciate that rail journeys can have more benefits than car and air. "Rail is more convenient and may be quicker, particularly for short haul trips," says Higgins. "It's also a more productive working environment."

Significant investment has been made to boost in-carriage technology. Power-sockets are commonplace and the quality of on-train wifi is more robust than it was 10 years ago, which means

more work can be done on the move. That's good for business.

Secondly, there's growing awareness that rail has a lower environmental impact than car and air journeys, and that companies who encourage their employees to travel by train are better able to meet their corporate social responsibility (CSR) targets regarding sustainability and carbon emissions. Rail generates less than 1/20 of the CO<sub>2</sub> emissions of air travel and approximately 1/7 of the CO<sub>2</sub> emissions compared with road transport, per passenger.

## Emerging travel tech helps employees and employers

This is an exciting time, says Higgins — but it's being made even more exciting by the emergence of disruptive technology, that's improving the rail travel experience for both employees and employers.

For example, in the past, companies didn't have the ability to compare the merits of rail and

air, but now online business travel platforms are able to aggregate more data, making it easier to find, compare and buy.

"This technology demonstrates how rail can be a legitimate option for business travellers and helps them make more informed choices," says Higgins. "Digital platforms showcase industry data for the benefit of the customer, such as platform and train delay information, and even show crowd-sourced information, such as train capacity. This empowers business travellers to better manage situations if things don't go to plan during their rail journey."

## Investment is improving travel and increasing demand

Plus, advanced booking technology gives companies tighter control of their travel policies and allows them to make savings by, for instance, encouraging staff to purchase in advance.

Mobile and e-ticketing, meanwhile, has been a boon for travellers who no longer have to queue at the station in order to collect a physical ticket.

Now is the moment for the industry to capitalise on these changes, says Higgins. "A number of megatrends are coming together," he says.

"Apart from the cultural and behavioural demand for rail, more infrastructure and investment is improving the quality of journeys and making it easier to travel by train both domestically and cross-border. And the increase of high-speed services means that business travellers are now realising that rail is a real and desirable option for them. One that can carry them into Europe — and beyond." ■

WRITTEN BY  
TONY GREENWAY

## About Trainline

Trainline is the leading independent rail and coach travel platform selling rail and coach tickets to millions of travellers worldwide and providing business travel solutions to leading travel management companies. We provide access to over 270 rail and coach carriers across 45 countries in Europe and the rest of the world.

[www.trainline.com/business](http://www.trainline.com/business)

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# How green is the future of ground transportation?

Mobility, as it stands today, is unsustainable. Cities face an enormous challenge: make room for huge growth in mobility demand while drastically cutting the CO<sub>2</sub> emissions of transportation.



**CHRISTOPHE PEYMIKAT**  
Head of Uber for Business, EMEA,  
Uber

**H**ow can we help move more business travellers more efficiently—and with a significantly lower environmental impact? There are approximately 1.4 billion cars in the world today. Cars are a major source of pollution, but the real problem is in how we use them. The reality is that there aren't enough shared trips, meaning there are too many cars on the road with empty seats. This leads to higher carbon emissions, more traffic congestion and lower economic productivity.

An incredible 19 million Uber trips happen each day, and a lot of these trips are for business travel. People depend on us, whether they're on their way to sign a business deal or getting home safely after working late hours. As we continue growing, we have a duty to find more sustainable ways to help transport people.

## Time is running out – ground travel needs to be greener

Big investments need to be made in shared, electric and automated technology. To start with, reliable public transit and shared taxi rides are two effective green transportation options. Electric bicycles and scooters are also available in several European cities.

It's also crucial to embrace electric vehicle (EV) efforts. Uber's Clean Air Plan was introduced in 2019 to support the movement towards a cleaner, healthier London and ensure every car on the Uber app is fully electric by 2025. Making all of these options available can help reduce the carbon impact of ground travel.

## How can businesses benefit from greener rides?

By introducing eco-friendly options in their travel policies, organisations can take steps towards a greener future. A cleaner environment means healthier employees, which in turn boosts morale and improves business productivity.

A sustainable travel programme can also help attract and retain staff. A new generation is entering the workforce, and as digital natives who seek to contribute to a sustainable future, it's important to look to the tech they're already using. ■

### Uber for Business:

Uber for Business, our all-in-one digital dashboard, integrates directly with the Uber app and simplifies how your people move around. You'll get complete visibility, insights and control over ground travel. With several green initiatives, Uber is also taking action to make a positive impact on the environment. It's a long road ahead, but we're committed to making business travel greener.

Read more at [t.uber.com/corporate-travel-uk](https://t.uber.com/corporate-travel-uk)

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# Uber for Business



SCAN ME

**DAVID CHAPPLE**  
Portfolio Director,  
Business Travel Show



# Is sustainable business travel possible?

Workforces are changing. Increasing numbers of us are working remotely and flexibly. Virtual teams are now a reality thanks to technology like Skype, Zoom and Google Hangouts, which make it possible to hold 'face to face' meetings with colleagues and partners in multiple locations.

**Y**ou would think this would have killed business travel. But, it hasn't. Far from it. Why? Because, sometimes, a video call is just not enough.

Sometimes, we have to do things in person – whether it's a supplier meeting, factory visit or to attend a global conference, for example.

Recently, this has left travel managers, business owners and road warriors with a huge dilemma: is it possible to keep travelling, but sustainably?

## Green travel is a priority for 2020

The concept of green travel has been a 'thing' for well over a decade – do you remember when airlines introduced the option to pay a surcharge to offset our carbon emissions? Well, now we've reached such a serious tipping point when it comes to climate change and sustainability that green travel has rocketed up the business travel agenda.

Awareness is at an all-time high thanks to champions like Greta Thunberg, and the UK Government's Net Zero legislation (to achieve net zero carbon emissions by 2050) will be a huge instigator for change within travel.

76% of European travel managers in this year's annual Business Travel Show poll said they welcome the new law. They also voted climate change as the biggest challenge facing the business travel industry.

However, the same poll revealed that 71% of travel managers don't currently offset aviation-related carbon emissions and just 26% offer information to travellers about their carbon footprint. There are many reasons for this, including cost, of course, yet the time has come for travellers, travel managers

**“ 71% of travel managers don't currently offset aviation-related carbon emissions. ”**

**“ The time has come for travellers, travel managers and organisations to re-think how their business travel affects the environment and human rights. ”**

and organisations to re-think how their business travel affects the environment and human rights.

## Can you be sustainable and cost efficient?

Given the continued pressure on buyers to cut costs and make budgets work harder, the million-dollar question is whether it is possible to introduce a sustainable travel policy cost-effectively?

Thankfully, technology can now allow more suppliers to commit to offering sustainable solutions, allowing travel managers to review their travel programmes, ensuring they hit sustainability targets, while still providing an exceptional travel experience for travellers.

## Airlines working to decrease carbon emissions

Qantas and International Airlines Group (IAG) (British Airways' parent company) have signed up to the Net Zero pledge through more fuel-efficient aircraft, smarter operational techniques and switching to biofuel.

United Airlines has also committed to reducing greenhouse gas emissions by 50% by 2050 and Virgin Atlantic's target is a 30% reduction by 2021.

## Rail services support charities through green practices

It would appear that little can beat the sustainability results of rail service providers. The percentage of passengers travelling between London and Glasgow by rail over air has just reached an all-time high.

This year, Eurostar will plant a tree for every train departure – an estimated 20,000, or 55 per day – and will donate all un-bought food from

its on-board cafes to charity, and all left-behind blankets to animal shelters.

Car rental can also offer a green alternative for travel programmes, thanks to major innovations like telematics, car sharing, car clubs and electric vehicles transforming pricing, operations, sustainability and duty of care priorities.

Car transportation company Carey is tackling CO<sub>2</sub> by investing in electric fleets. The company has seen an 18% fuel reduction since arming its drivers with environmentally friendly driving techniques.

## Hotels dispense with single-use toiletries

And finally, in the hotel space, Marriott has pledged to stop using single-use toiletry bottles, and Travelodge, Accor and IHG have committed to eliminating single-use plastics in bathrooms, food items and packaging.

Wyndham Hotels is also incentivising guests to be more sustainable by offering bonus reward points for reducing towels, bedding and electricity use.

The Business Travel Show takes place at Olympia London from 26-27 February 2020. More than 260 exhibitors will be at the show making it easier for travel managers to discover green solutions for their future travel programmes. ■





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# ‘Wellbeing’ is the watchword

Companies are waking up to the mental and physical impact of frequent business trips and are beginning to take action.



**ANDY HOSKINS**  
Editor,  
The Business Travel Magazine

Business travel is not always the glamorous pursuit it's billed as. Rather, it can be stressful, exhausting and unhealthy. Hours may be spent waiting at airports, on long-haul 'red eye' flights, rushing between meetings or even chasing down lost luggage.

Those travelling on business regularly can suffer serious detrimental effects to their mental and physical health.

Recent research from Amadeus showed that 80% of travel managers believe their colleagues sometimes experience high levels of stress while travelling on business, and 11% believe they suffer from stress most of the time.<sup>1</sup>

## Traveller wellbeing is a top priority for 2020

While the subject of traveller wellbeing has been a much talked about subject in the last 18 months, it is now among travel managers' top priorities in 2020, according to the ITM, and companies are beginning to make changes.

Organisations are acutely aware that tired, ill, stressed and unhappy employees do not perform at their best, are more likely to book travel out of corporate policy and might even consider moving on. There is recognition of the link between bad business travel experiences, staff absence and attrition, the cost of recruitment, and even potential reputational damage.

Encouragingly, Amadeus' report also revealed that 39% of companies have actively taken measures to improve the wellbeing of their travelling employees. How they do that varies widely and businesses have different approaches.

## Small, inexpensive changes can vastly improve the travel experience

Some make subtle tweaks to travel policy such as allowing rest days after long-haul trips or introducing something as simple as providing chauffeur transfers from airports rather than asking employees to tackle public transport – or even drive – after an overnight flight.

But some are taking it a step further and, with the help of travel management companies, keep records of hours spent on flights, the number of nights spent away from home and the number of time zones crossed in a month. They may also compare absenteeism among regular travellers and non-travelling employees.

This sort of data can be used to measure what is sometimes known as 'trip intensity' or 'trip friction'.

Some companies now ask employees to fill out pre-trip forms to self-assess whether they are mentally and physically fit to travel.

Traveller wellbeing can also be addressed with simple steps such as reducing the number of indirect flights, minimising travel outside of office hours, choosing preferred hotels carefully or allowing some flexibility in their travel policy.

While that might set alarm bells ringing because of supposed increased costs, companies would do well to remember that replacing good employees can be a bigger and more expensive challenge altogether. ■

Sources: 1: <https://amadeus.com/en/insights/white-paper/business-traveller-well-being>

### More info

Subscribe to The Business Travel Magazine, for free, at [thebusinesstravelmag.com](http://thebusinesstravelmag.com), or register to attend The Business Travel Conference 2020 (September 15-16) at

[www.thebusinesstravelconference.com](http://www.thebusinesstravelconference.com)

# Emerging trends for business travel in 2020



**SCOTT DAVIES**  
CEO,  
Institute of Travel Management

Both buyers and suppliers of business travel must keep their eyes and ears open to emerging trends and priorities while they diligently manage the day-to-day programmes they are responsible for.

Often, these travel experts estimate and hypothesise about which challenges should be focused on going forward. Guesswork is rarely the smartest way to set your sites so, each year at ITM, we ask our buyer members the direct questions. The responses are equally insightful, thought-provoking and essential.

## Safety never goes out of fashion

We have been asking our buyer members to list their priorities in order for almost ten years and in each of those years, traveller safety has been top of the list.

2020 is thankfully no exception. While this may sound rather obvious, we still take comfort from the reality that nothing trumps the importance of ensuring the safe movement and surroundings of a company's most valuable assets. Suppliers always do well to place maximum focus on the importance of traveller safety when designing their products and services.

## Traveller wellbeing is becoming more prominent

If you follow trends in business travel you may not be surprised to learn that that fastest rising priority for travel buyers is traveller wellbeing, which rose five places up the chart to take third spot behind budget control.

Across all walks of life there is growing focus on diet, fitness, balance and both physical and mental wellness. Travel managers must therefore respond to the needs of

“Suppliers always do well to place maximum focus on the importance of traveller safety when designing their products and services.”

their travellers by working to provide solutions through their supply chain and processes.

Since wellbeing and wellness are subjective terms that mean different things to different people, the key is to provide options and allow travellers some flexibility to eat, drink, exercise, work and rest in the optimal way for them while on the move.

## Be sustainable or become irrelevant

The highest-ranking new entry to our hotlist was sustainable practice, in at number six. This is an even more noteworthy climb because the landscape in this area is moving rapidly. The climate change debate has gained powerful new champions in the form of smart and motivated Generation Z leaders and this topic is dominating agendas around the world.

We have begun to see organisations operating two simultaneous travel budgets. The traditional spend budget is now allocated alongside a carbon budget that also may be exceeded.

Are you holding a large meeting this year? I strongly advise you to ensure the name badges contain no materials that aren't reusable or compostable.

## Is there an appetite to 'go green' if it costs more money?

One of the barriers to more responsible travel can be that it often comes with a cost premium over previous methods.

Given the traction that sustainability now has within travel programmes, we took the opportunity to better understand the challenges ahead by asking

our buyers about what they were prepared to trade in return for a greener footprint.

Sustainable Aviation Fuel (known as SAF and made from sources such as plants and used cooking oil) is just one potential way to reduce emissions. We asked buyers if they would be prepared to allow or encourage air tickets that were more expensive but fuelled by SAF. Seventeen per cent of buyers said that they would. We thank them for their candour, but this frames the issue we now face.

Sustainable travel will need to be affordable upfront in order to see the mass adoption that will be necessary before they deliver economies of scale.

## Travel buyers are heroes

The ITM Trending Survey<sup>1</sup> is a humbling piece of work for the ITM team. The sheer number of priorities and challenges that today's travel manager is juggling defies belief.

We haven't even mentioned data security, technology implementation, full content access or the considerations that Brexit brings. Travel managers deserve our ultimate respect and support. If you see one today, be sure to listen more than you talk! ■

Sources: 1: Also known as the Top Priorities Survey is available to download as a PDF of results ([itm.org.uk/resource](http://itm.org.uk/resource))

2019	2020	Priority
—	1	Traveller safety
—	2	Budget control
5	3	Traveller wellbeing
7	4	Enhancing experience
3	5	Booking tool compliance
NEW	6	Sustainable practice
4	7	Full content access
6	8	Expense integration
NEW	9	Diversity & inclusion
NEW	10	Adapting to Brexit regs

### More info

Institute of Travel Management (ITM) is the leading association for business travel professionals in the UK & Ireland, representing more than 4,000 members. Find out more at:

[www.itm.org.uk](http://www.itm.org.uk)

Read more at [businessandindustry.co.uk](http://businessandindustry.co.uk)





# Changing mindsets, changing travel



**CIARA GOVERN**  
Chief Customer Officer,  
TripActions

Leaving things behind. In an ideal world, it's something we could all do without. Lodgings and vehicles around the world have feasted on their fair share of forgotten phones, laptops, suitcases and the like, bringing travellers that all too familiar feeling of helplessness and frustration that just explodes from our toes to the heavens.

**H**owever, sporadic loss of material things does little to sway how or when we travel, and it's often forgotten that the most valuable thing we leave behind when we travel - is carbon.

## Reducing business travel's carbon footprint

Business travel remains an essential connector of people and vital to the exchange of ideas and goods that has made our world a better place in so many ways. Which is why it makes sense to determine every possible way to make travel more sustainable and worthwhile - even on an individual level.

As regulations on reporting emissions rises and employee values press on travel managers - and ultimately companies as a whole - change is needed. Showcasing buy-in, creating flexibility in travel policies and ensuring useful information is accessible helps

drive mindful decisions throughout the business.

## Making small, impactful changes for the future

On both European and transatlantic trips, the haunting presence of plastic is everywhere we go - from cups to cutlery, from the plane to the hotel. That's why being prepared and informed about what can dramatically increase our carbon footprint enables travellers to make changes and reduce their carbon footprint.

Carbon offsetting is a key part of the sustainability solution for companies and business travel, fuelled by reliable carbon insight data. Simply having the tools that provide CO<sub>2</sub> data means a monetary figure can be put on emissions and paid to offset through environmental programmes.

At TripActions, we're dedicated to helping our customers create transparency and drive change from the inside out. It's our belief

that making small but impactful changes to the way you travel will help contribute to a more sustainable future while still harnessing the power of in-person meetings and communication. Innovation and technology are at the forefront of change when it comes to moving towards a carbon neutral future.

## We believe we can build this future with:

**Real-time carbon insights that drive change:** Increase visibility over carbon emissions from business travel with access to company-wide reporting. This provides actionable data, enabling companies to purchase carbon offsets through the environmental organisation of their choice.

**Transparency that fuels values and morale:** Travellers have extended profiles where they can access their carbon footprint data, allowing them to understand their individual impact on the environment and their company's commitment to reducing it.

detailed, carbon impact data roundups are available for companies who want to receive comprehensive reports summarising their carbon footprint to help them take action and offset.

TripActions reflects the global business traveller community - as diverse, as driven, and as hopeful about a future that uses the right balance of technology and travel agents to empower the in-person meetings that make business travel a strategic lever for culture and growth. #LetsGo ■



Sponsored by

**TripActions**

## About TripActions

Fast becoming the default for corporate travel, TripActions combines the best technology with the best travel agency service. TripActions delivers consumer-like ease-of-use, powerful personalisation, unrivaled inventory choice, and 24/7 travel agents users love. As a result, organisations achieve high adoption, getting the spend visibility, control, data and insights they need to optimise their travel, save money, and fulfill duty of care.

TripActions helps 3,000+ enterprises reduce booking time from 60 minutes down to six while achieving 93% traveller satisfaction and up to 34% savings on lodging alone. Deliver a great traveller experience while controlling costs with TripActions.

“On both European and transatlantic trips, the haunting presence of plastic is everywhere we go - from cups to cutlery, from the plane to the hotel.”

Tools to take action: Regular,



# BUSINESS TRAVEL FORECAST 2020

**The Business Travel Show polled 114 European Travel buyers to find:**

**ETHICAL TRAVEL PROGRAMME**  
60% of travel buyers polled admit they do not have an ethical travel programme

**NET ZERO LEGISLATION**  
Three quarters of buyers polled welcomed the UK Governments Net Zero legislation, which aims to reduce carbon emissions to zero by 2050.

**AIR TRAVEL**  
29% of buyers who responded to the Business Travel Show survey believe that air miles should be banned for encouraging unnecessary air travel

**CARBON EMISSIONS**  
The poll revealed that 83% of travel programmes do not offset aviation related carbon emissions

**SUSTAINABLE TRAVEL**  
39% of travel buyers polled admitted that travellers are driving the push towards a more sustainable travel programme

## Is the travel industry all talk and no action when it comes to the environment?

Statistics from a recent poll of European travel buyers hint at an industry split in two. While the results indicate support for more ethical travel, the numbers imply a need for less talk and more action, and it is actually the travellers, not business, who are pushing for programmes to be more sustainable.

Sixty per cent of buyers who responded to the Business Travel Show survey admit they do not have an ethical travel programme. While 28% plan to introduce one, one quarter believe it's simply too costly and 8% have no intention to disrupt the status quo.

Of the 39% whose programme is deemed ethically conscious, one fifth restricts trips that are not 100% essential and a further 21% are switching from air to rail. Twenty-nine per cent believe that air miles should be banned for encouraging unnecessary air travel.

However, just 17% currently offset aviation-related carbon emissions (26% plan to) and 27% share information about carbon emissions with travellers (26% plan to do that, too).

Three quarters of buyers polled have welcomed the UK Government's Net Zero legislation, which aims for the country to reduce carbon emissions to zero by 2050, with one quarter feeling it's long overdue and a further 21% saying it doesn't go far enough. However, 12% are unaware of the new law, one in ten thinks it's unfair on the airlines and 9% believe the timescale is unrealistic.

### Travellers want more sustainable travel

The 114 European travel buyers who contributed also admitted that travellers are driving the push towards a more sustainable travel programme (39%), followed by procurement at 24%. Just one in ten pinned responsibility to their CSR and sustainability teams.

Amnesty International UK economic relations Programme Director, Peter Frankental, who is speaking at Business Travel Show commented: "The survey provides further evidence that too many

“Too many businesses have their head in the sand when it comes to reducing their carbon footprint”

businesses have their head in the sand when it comes to reducing their carbon footprint. Given what we know about climate change, there is no excuse for any company to ignore the impacts of its travel arrangements.”

Taptrip Cofounder, Neil Ruth, added: "Climate change awareness is not just the responsibility of travellers. All humans have a respon-

sibility to be eco-friendly and live as sustainably as possible. There's a plethora of innovation to support this; adoption of alternatives and making smarter choices will become even more prominent." ■

## The survey results in full:

### Do you have an ethical travel programme?

- Yes - 39%
- No but we plan to - 28%
- No, it's too expensive - 25%
- No and we don't plan to - 8%

### How ethically conscious is your travel programme? (For those who have said yes to earlier question)

- We consider its impact on the environment and make choices to limit this - 42%
- We are conscious of the human rights impact of our travel programme and make choices to limit this - 16%

- We opt for rail over air travel - 21%
- We restrict how travel to overseas meetings - 0%
- We restrict trips that are not 100% necessary to the sustainability of the business - 21%
- We have banned all air travel - 0%

### Should airmiles be banned for encouraging unnecessary air travel?

- Yes - 29%
- No - 65%
- I don't know - 6%

### Does your company offset aviation-related carbon emissions?

- Yes - 17%
- No - 57%
- Plan to - 26%

### Do you offer travellers info on carbon emissions?

- Yes - 27%
- No - 47%
- Plan to - 26%

### What do you think about the Government's Net Zero legislation (to reduce carbon emissions to zero by 2050)?

- It's very welcome and not

- before time - 25%
- It's very welcome and 2050 seems a realistic time scale - 23%
- 2050 is an unrealistic timescale - we need longer - 9%
- It's welcome but it doesn't go far enough - more needs to be done and sooner - 21%
- It's unfair on the airline industry which is already working hard to cut emissions through the CORSIA scheme - 10%
- I'm not aware of the legislation - 12%

### Who's most interested in sustainable travel?

- Travellers - 39%
- Procurement - 24%
- C-Suite - 20%
- CSR/Sustainability team - 10%
- Bookers - 7%

Insights provided by:



Read more at [businessandindustry.co.uk](https://businessandindustry.co.uk)



# OFFICE POLITICS

## You're never too old to start a business

Older adults have a wealth of experience, so how can we harness senior enterprise?

**W**ITH a rapidly-ageing demographic across Europe, it is time to re-evaluate not only our own attitudes towards older people, but also the value of senior enterprise and their contribution to society.

By 2020, the over-50s in the UK will make up nearly one third of the working-age population, and almost half of the adult population. As such, we need to view ageing as not a problem, but an opportunity. Older adults have a wealth of experience, and many are driven by a passion to contribute to society – not just economically, but also to make a positive environmental and social impact.

It's not just about working for longer – which many older people will need to do anyway because of pension shortfalls. It's also about encouraging and fostering entrepreneurship so that older adults can start businesses or non-profits, add value to existing organisations, and contribute to the wealth of the nation.

Ultimately, we need to embrace older people as assets, and regard them as civic actors utilising their extensive experience to drive economic growth and solve critical problems in society.

**Orpa Haque**



Perhaps most importantly, senior enterprise enriches the lives of older adults, contributing to their learning, financial assets, and social wellbeing.

The European Commission has taken this issue very seriously for a number of years, and is exploring how we can all benefit from the knowledge and skills of seniors, while ensuring that they are also supported in developing businesses of their own.

While this is encouraging, a recent study from Nesta Challenges found that over one third of the nation (34 per cent) frequently worry about job availability and the future of work. Unsurprisingly, almost half of those aged 55-64 are concerned about job security as they move closer to retirement, while this falls to 27 per cent of 35-44 year olds.

A clear gap exists between a vision at the highest level of how seniors can



**Almost half of those aged 55-64 are concerned about job security as they move closer to retirement**

play a positive role in society by becoming more entrepreneurial, and the seniors themselves who may not know where to start and lack confidence, believing that their age will count against them.

The fast pace of digital transformation is also a deterrent – many feel that they cannot catch up with the younger generation.

The challenge is therefore clear: to address this perceived lack of confidence, boost skill sets (especially in technology), and reignite their desire to enter the later years of life with an



**WHERE'S MY LUNCH?**

**Deliveroo**  
Free to download

It's finally February, we can forget about New Year's resolutions and post-Christmas dieting. It's still freezing cold and the summer is a long way off. Rather than venture out for lunch and brave the arctic winds on the high street, why not download this app and just order food to be delivered to your office directly?

entrepreneurial mindset. But how do we set about achieving this? One example is the recent launch of the Smart Ageing Prize by the AAL Programme and Nesta Challenges, which aims to harness the power of senior enterprise in order to make a positive impact on their own livelihoods, as well as the economies and societies of their countries.

The Prize is looking for innovative ways to support, empower, and inspire seniors to engage in entrepreneurship. Solutions can be digital or tech based, or can utilise non-technological solutions, tools, and infrastructure.

This is a significant step towards breaking down misconceptions and barriers, and liberating the talents of an ageing population – a conversation that we all need to be having.

If recent figures are to be believed, just seven per cent of people in the 65 and older age group had some intention to start a business within the next three years. That's compared to 32 per cent of people in the 18-29 age group. Clearly, then, there is work to be done.

This will be hard, but if we do the work, we can start to imagine a time where ageism is a thing of the past, and society values and respects older adults, seeking them out for their skills and experience. That would be a healthier, more productive society.

Orpa Haque is assistant programme manager at Nesta Challenges.

## COFFEE BREAK

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### SUDOKU

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

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

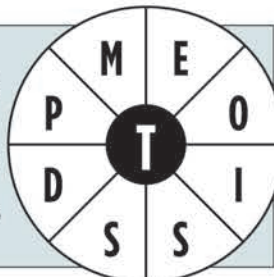
### KAKURO

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

26	13		7	12	29		23	15
11			23				9	
9			12				17	
8			29				30	
24				12				19
7	38		8	22			21	
45							13	
18				21			27	10
11				28			21	
	14						6	
10				10	4			
6				11			11	
				20			9	

### WORDWHEEL

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



### SUDOKU

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

### WORDWHEEL

The nine-letter word was PRESERVED

### QUICK CROSSWORD

1		2		3		4		5		6
				7		8				
9										
				10				11		
12	13		14				15			16
		17					18			
						19				
20										
21							22			

#### ACROSS

- Molten rock (5)
- Girl who features in Lewis Carroll's famous stories (5)
- Giving a gratuity (7)
- Expression of surprise or scepticism (6)
- North American native dog (6)
- City, site of the Taj Mahal (4)
- Informal term for a cat (4)
- Launch an attack on (6)
- Less harsh (6)
- Brochure (7)
- Imperial measure equal to two pints (5)
- Plant fibre used to make rope (5)

#### DOWN

- Dock for yachts and cabin cruisers (6)
- Male geese (7)
- Ancient Mexican civilisation (5)
- Portable computer (6)
- Small, lightweight boats (6)
- Admire excessively (7)
- Reptiles with shells and flippers (7)
- Rich cake (6)
- Make a request (3,3)
- Ancient rolled document (6)
- Sacred water lily (5)

### LAST ISSUE'S SOLUTIONS

#### QUICK CROSSWORD

S	T	U	D	I	R	A
E	U	I	R	A		
B	A	S	S	C	O	C
I	T	H	A	T	W	G
G	U	A	M	D	I	S
H	B	A	L	A	N	C
E	A	R	N	V	E	R
A	E	F	E	U	D	
D	E	A	L	E	R	
E	S	E	E	R		
D	I	A	T	E	D	
B	A	B	A	B	E	L

#### KAKURO

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



# HEALTH



# TIME TO WEIGH IN

A guide to weight training, from putting on mass to avoiding injury, by **Harry Thomas**

**W**eight training in the gym can be overwhelming at times, especially if you're new to exercise. There are so many different machines and loads of people all doing strange, inscrutable things: grunting, posing, texting, swinging heavy stuff above their heads in ways that look painful and dangerous.

Unlike running or cycling, which are pretty straightforward, with weights, everyone does their own thing: different exercises, different reps and sets, different weights.

But try not to be dissuaded. Weight training has so many benefits and is something I encourage almost everyone to add to their fitness routine at some point, no matter what their goals. So I wanted to break it down, giving you a nice intro on how to structure a programme that relates to your goals.

With weight training, it's important to get the basics right first and then work your way up. You might spot some fancy lad in a unitard hurling a barbell into the air, but unless you're determined to injure yourself, it's best to leave that kind of thing for the time being.

Crucially, the mind and body have to

work together – even if you're physically strong, if you haven't trained your mind to adapt to new movements with heavy weights, you won't make any progress. Your body needs to adapt and your joints have to get stronger, and that takes time and practice.

You also need structure to your routines if you're walking into the weights section with no idea what you're about to lift, then you're probably doing it all wrong. Here are some examples to get you started.

Weight training can be broken down into a number of components but I'm going to look at three today: endurance, hypertrophy, and strength.

## ENDURANCE

• **Sets:** 1-2 **Reps:** 12+

• **Suitable for:** beginners, those recovering from injuries, those training for endurance sports such as running or cycling, general fitness and fat loss

You need to get your body acclimated to resistance training by doing lighter weight and higher reps (the number of times you perform each individual lift). Going too heavy too quickly increases your chance of injury. Even if you find the high repetitions a little boring and are tempted to go heavier and do fewer, resist the urge.

High reps teaches your body a movement pattern, and the more you do the more your body can adapt. Not only are you conditioning your muscles, joints and tissues, you're also teaching your nervous system a new trick. A few weeks of performing high reps with relatively

light weights will improve your joint health and increase blood flow to these areas, helping to mobilise your joints and increase your range of motion. The more you move, the more you improve.

Weight selection should be a score of 5-6 out of 10, where 10 is the heaviest you could lift for a single rep, and you shouldn't be reaching failure (i.e. you should reach your target of 12 reps).

Focus on training the whole body, rather than individual muscle groups. Select six to eight exercises, including presses, squats, pulls and hinges.

Endurance training will help improve your fitness levels, burn lots of calories and, if you don't have much weight training experience, you will soon get stronger with practice.

## HYPERTROPHY

• **Sets:** 3-6 **Reps:** 8-12

• **Suitable for:** Those with some experience of weight training, fat loss and building muscle, training for aesthetics

Hypertrophy is my favourite area to train as you can start noticing some visible changes to your body. Your muscles will feel and look better and if you are looking to lose weight, this is a great place to be as you will expend a lot of energy.

Aside from looking good, adding muscle to your frame has lots of benefits to your health and performance. This could be just a couple of kilos to a serious amount of mass.

When you start training, most of your strength gains will be neuromuscular, which is the brain and body working together as described above.

Once you've made it past a certain point, your body is no longer able to adapt like it once did and you need to focus on strength, building muscle and tissues at a more structural level. This is where you can start to play around with exercises and weights.

Without proper nutrition, you will not be able to add muscle, so hypertrophy also gets our clients paying more attention to their food intake. It's difficult to build real muscle without feeding it, but if you overfeed the body, it's easy to put on weight. Striking the right balance is crucial.

When it comes to exercise selection, there are countless options. Some people prefer to train specific muscle groups in each session and some people prefer to do a full body approach. The key is to add volume to each area over time and I encourage my clients to aim for around 18 sets per week on each muscle. Weights should be around 6-7 out of 10 and it's OK to go to failure. Keep your rest time around 60-90 seconds between each exercise.

## STRENGTH

• **Sets:** **Reps:** 1-6

• **Suitable for:** Specific sports, strength related goals

Strength is next stage up the ladder, and this is more for advanced trainers. If you haven't trained before or are just getting back into training, going in at this level will put too much stress on your muscles, joints and nervous system. Lose your ego and earn your stripes first.

This type of training is about maxing out and puts a high amount of

stress through your body. The heavier the loads, the more important it is to focus on technique as the risk of injury goes up.

Strict strength training will be more about neuromuscular gains, which means you will not expect to see much mass being added, rather your muscles will get stronger. Some weightlifters will stay in the same weight category for most of their careers, which means they are not adding mass, just getting stronger.

You may have heard of the one rep max test? This basically sees how much you can lift in a single rep, and it's a great tool to set out the rest of your strength program based on the results.

If you are training in this zone and attempting heavy lifts, make sure you have someone spotting to help if you fail. There's nothing worse than having a bench press go wrong and being pinned to the bench – at best it's embarrassing and at worst it can kill you.

Focus on the big compound lifts such as deadlifts, bench presses, squats, rows, lunges and vertical presses. You don't need to over-complicate things – these core movements should be enough to see most people through a successful strength regime.

Remember to listen to your body and don't feel like you have to work at 100 per cent. Some days you might feel invincible, others you'll be inexplicably weak. Just ride those waves and you'll make progress towards your goals.

• To book a session with No1 Fitness, visit [no1fitness.co.uk](http://no1fitness.co.uk) or call 0207 403 6660



# FOOD&DRINK



## WINES OF THE WEEK

**Remy Baben**, wine expert at Sofitel London St James recommends two bottles to invest in



### 1. DOMAINE LEDOGAR, "LA MARIOLE", 2018

Wine from Cornier in the Languedoc Roussillon from 50 per cent Carignan and 50 per cent Marselan. The old vines bring a concentrated dark fruit aroma, very juicy and a nice freshness. It is a great compliment for a gamey meal such as venison, woodcock or a Paté en croute. Wild Honey St James currently pairs this wine with venison, celeriac, kumquat and cavolo nero.

● £48, [dynamicvines.com](http://dynamicvines.com)

### 2. JACQUESSON CUVÉE 741, CHAMPAGNE FROM DIZY

Made of 57 per cent Chardonnay, 22 per cent Pinot Meunier and 21 per cent Pinot Noir, and disgorged in 2017. After only four years, this champagne has great aromas of citrus, fresh almonds and brioche, with a great freshness. This all makes for a very elegant champagne. It is a great pairing with Wild Honey St James' Custard tart.

● £45.95, [bbr.co.uk](http://bbr.co.uk)

To reserve a table at Wild Honey St James in The Sofitel Hotel, go to [sofitelstjames.com](http://sofitelstjames.com) or call 020 7747 2200

## WEEKLY GRILL

Angler Restaurant executive chef **Gary Foulkes** on the joy of super noodles and eating a gooey cockroach

### WHO ARE YOU AND WHAT DO YOU DO?

I'm Gary Foulkes and I cook fish at Michelin-starred restaurant Angler, atop the South Place Hotel in London.

### YOU COME HOME DRUNK – WHAT DO YOU COOK?

Instant noodles: super quick and delicious. I'm proud to admit, often tarted up with a bit of chilli sauce. There's no shame in instant noodles.

### WHAT'S THE STRANGEST ENCOUNTER YOU'VE HAD IN YOUR RESTAURANT?

I once had a lady dining in the restaurant and after her food arrived and she tasted it, she proceeded to inform me that I had just given her the worst plate of food anyone has ever put in front of her... Before I could reply she collapsed into it because she was absolutely hammered.

### WHAT'S YOUR EARLIEST FOOD MEMORY?

It was of my grandad cooking in the house – he used to do all the cooking as my nan was a dreadful cook. My particular favourites were minced beef and potatoes, lamb scouse and he did a mean apple and blackberry pie. To this day I've never had a better one.

### WHAT'S YOUR FAVOURITE DISH?

In the restaurant, I would say the Newlyn cod, which stays on throughout the year. The garnishes change with the seasons, however – it's currently on with line caught squid, Scottish grolles and cauliflower.

### WHAT'S THE WORST THING YOU'VE EVER PUT IN YOUR MOUTH?

A few years ago when my wife and I were

travelling in Myanmar, we stopped in a rural village and found the only café/bar and stopped for a drink. A few locals were in there and sent over some "snacks" to enjoy with our beer, one of which turned out to be fried cockroach, which was still gooey in the middle. That was intense, but nothing a few chilli flakes and a cold beer didn't fix.

### WHAT SHOULD EVERYONE HAVE IN THEIR CUPBOARD?

Maldon salt, olive oil and chilli sauce – they're the ultimate accompaniments.

### WHAT'S THE BEST THING ABOUT THE LONDON FOOD SCENE?

Right now I'm really into the great selection of Thai restaurants we have. I've been eating at Farang in Highbury and Supawan in Kings cross, which serve completely different styles of Thai

food but are equally delicious.

### WHAT FOOD LAW WOULD YOU INTRODUCE?

I'd ban plastic packaging on food – plastic is destroying the planet and it's something businesses need to be a lot more mindful about. If we all take small steps in cutting down our use of plastic it will be a huge help to the planet.

### WHAT'S THE MOST OUTRAGEOUS THING YOU'VE SEEN A CHEF DO?

I once saw someone put a whole duck in the deep fat fryer when he had forgotten to get it on roasting and the head chef called the table away. To say it didn't go down well is an understatement.

The Angler is located at the South Place Hotel, 3 South Pl, Finsbury, EC2M 2AF. Website: [anglerrestaurant.com](http://anglerrestaurant.com)

### THIS WEEK'S RECIPE:

A classic veggie dish from my past, which is just so #2020

Years ago, when Georgia Locatelli was cooking at Olivo in Pimlico, I had a simple pasta dish like the one in this week's recipe. It was made with buckwheat pasta and it was delicious – it just goes to show

### MARK HIX

Chef and restaurateur



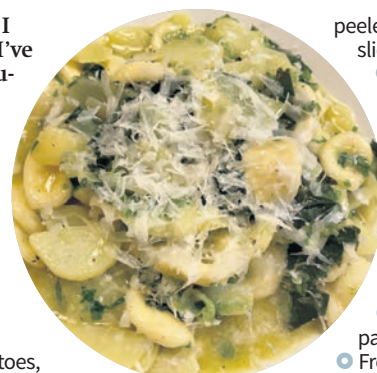
that people have been rustling up fantastic, simple, inexpensive vegetarian dishes long before the current wave sweeping the western world. I didn't have any buck-

wheat pasta when I made this dish so I've substituted in regular pasta, but the recipe is the same either way.

### ORECCHIETTE WITH POTATOES AND CABBAGE (SERVES 4)

#### INGREDIENTS

● 4-5 waxy new potatoes,



peeled, halved and thinly sliced

- 2-3 Savoy cabbage leaves, cut into rough 1-2cm squares
- 200ml vegetable stock
- 2-3 tbs olive oil
- 100g butter
- 4 spring onions, halved lengthways and thinly sliced
- 2 tbs chopped parsley
- Freshly grated Parmesan

- Cook the pasta in boiling, salted water then drain.
- Cook the potatoes and cabbage in the vegetable stock until they still have a bit of a bite then drain, reserving the stock.
- Return the stock to the pan and reduce by half then add the potatoes, cabbage, pasta, spring onions and parsley and season. Add the butter and oil and re heat slowly for a couple minutes and season.
- Stir in a little Parmesan and adjust the consistency with a little water and more olive oil if necessary.
- Serve immediately with extra Parmesan.



# THE PUNTER

HONG KONG RACING TRADER

## Casa De Forca to bring the house down

**Wally Pyrah** previews today's card at Happy Valley

**J**OCKEY Vincent Ho is going to be confident of reaching a milestone at Happy Valley today when he seeks to ride his 300th winner in Hong Kong.

This is no mean feat for a young man who only gained his licence 10 years ago as a 19-year-old and has worked hard to climb the ladder and make himself one of the top pilots in the territory.

Having enjoyed his best ever total with 56 winners last season, he is currently lying fourth in the jockey standing with 31 winners and must fancy

his chances of surpassing that total with six months of the current campaign remaining.

His highlight of the season has been his partnership with top-rated four-year-old Golden Sixty. A winner of eight of his nine races, all with Ho aboard, and winner of the recent £1m Hong Kong Classic Mile.

Ho has been riding with lots of confidence in recent weeks and trainers have been clamouring for his services since the season started.

Only the likes of Joao Moreira, Zac Purton and Karis Teetan have ridden in more races than him this season and he has a full book of rides in today's eight races today.

Last start winners Lightning Missile, who lines up in the opening Bowrington Handicap (11.15am), and Happy Good Guys, Canal Handicap (11.45am), both have penalties to carry but have



Casa De Forca is in action today after a recent barrier trial

the bonus of inside draws and are guaranteed to go close.

Ho's best chance, however, should come in the finale when he resumes his partnership with progressive **THIS IS CLASS** in the Sports Road Handicap (2.50pm) over six furlongs.

Francis Lui's lightly-raced five-year-old suffered a health issue earlier in the season and only made a belated seasonal appearance a fortnight ago.

On that occasion, having travelled up with the early pace from the off, he led briefly a furlong from home, before being collared in the closing stages and finishing second.

That was a first-class effort from a horse who had been upped in class following two impressive track and trip

wins last season.

He is mapped to get a perfect journey following the leaders during the contest and then pounce early in the home straight and go for gold. The likes of Super Turbo and Meridian Genius are the obvious threats.

One of the most interesting jockey bookings today has to be Moreira climbing aboard **CASA DE FORCA** in the Wong Nai Chung Handicap (1.15pm) over the extended mile.

Moreira had previously been associated with top-weight Thunder Stomp, who looked to be reaching his best when a narrow loser over course and distance back in December.

Both Thunder Stomp and Moreira subsequently trialled in impressive

fashion 12 days ago as a prep for this contest, so it is surprising the 'Magic Man' has deserted him for the Tony Cruz gelding.

This former UK galloper, known as Hombre Casado, was a dual winner over a mile when trained by Ed Walker.

The five-year-old has taken some time to find his feet in Hong Kong, but was finishing strongly over six furlongs behind useful Victory In Hand last month and will relish a return to the mile.

**POINTERS**

Casa De Forca	1.15pm	Happy Valley
This Is Class	2.50pm	Happy Valley

## Purton's mount can get back to Winning Ways at the Valley

**W**HEN looking for winners, jockey bookings are always an important factor to consider.

It's a well-known fact that top riders Joao Moreira and Zac Purton have the choice of the best horses in Hong Kong after they have studied the form book and ridden them in either track work or trials.

That's why these two world class jockeys will continue to dominate

the racing scene for years to come.

Take the Canal Handicap (11.45am) over five furlongs for instance. Happy Good Guys was a convincing winner over course and distance three weeks back, and having bagged the inside draw, will be strongly fancied to follow-up despite an 8lb penalty.

Chasing him home that day was **WINNING WAYS**, who was over two lengths behind and clearly needs to

improve to reverse the form.

However, replays of that race show that Danny Shum's gelding suffered a three-wide journey for most of the trip, but still produced impressive closing sectional times to finish strongly at the end of the contest.

Local trainer Shum is a trainer in form, welcoming Perfect Match to the winners' circle at Sha Tin on Chinese New Year raceday last week

and then following up with a winning double at the same course last Sunday.

With Blake Shinn suspended, Purton would have been quick on the phone to ensure the ride on Winning Ways and resume his successful partnership with the trainer.

The combination has been a duo to follow for a long period of time

and they have already racked-up a near 25 per cent win rate this season.

Expect Winning Ways to improve on that record and reverse the form with Happy Good Guys.

**POINTERS**

Winning Ways	11.45am	Happy Valley
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**HONG KONG**

**RACING TODAY**

**HAPPY VALLEY 11:15AM - 2:50PM**



# HAPPY VALLEY

Going: Turf - GOOD

## 11.15 BOWINGTON HANDICAP (CLASS 5) (3YO+) (COURSE C) (TURF) 6f 3yo plus 12 dec.

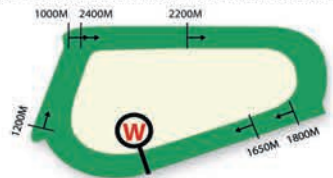
1	746-09 PRAWN YEAH YEAH (14) (TB) (C) (G)	N Callan 56
2	8/00-9 GOLDEN GENERAL (21) (P)	H T Mo(3) 58
3	71955- STARLOT (41) (B) (CD) (G)	T Piccone 57
4	469-64 DEMONS ROCK (21) (B) (D)	Z Purton 67
5	0234-0 LA BOMBA (31) (T)	J Moreira 61
6	77346- EXPONENTS (56) (V) (D) (G,SW)	H N J Wong(3) 60
7	8078-6 JIMSON THE DRAGON (21) (TB)	M Yeung 67
8	56091- LIGHTNING MISSILE (41) (TB) (CD) (G)	C Y Ho 64
9	66542- SHOW MISSION (41) (B) (C) (G)	G Van Niekerk 63
10	080-47 TRIUMPHANT LORD (3) (T)	M Poon(2) 60
11	08007- FOX CHEUNGER (41) (TB)	M Chadwick 65
12	2953-0 NASHASHUK (21) (ET) (CD)	K Teetan 61
13	/0602- TRAVEL SUCCESSOR (287) (TB) (D)	RESERVE 61
14	/070-0 HUMBLE STEED (14)	RESERVE 54

\*BETTING: 11/4 La Bomba, 5 Lightning Missile, 6 Show Mission, 7 Nashashuk, 8 Demons Rock, Exponents, 12 Prawn Yeah Yeah, 14 Starlot, 16 Jimson The Dragon, 20 Others

## 11.45 CANAL HANDICAP (CLASS 4) (3YO+) (COURSE C) (TURF) 5f 3yo plus 12 dec.

1	0000-0 SHANGHAI MASTER (28) (C) (G)	M Chadwick 80
2	9498-0 EVERBRAVE (21) (CD) (G)	N Callan 77
3	700-89 DECISIVE ACTION (9) (HY)	H Lai 75
4	0-0 MR WISEGUY (21) (B)	K Teetan 67
5	8804-2 DR PROACTIVE (14) (A)	H N J Wong(3) 78
6	0323-1 HAPPY GOOD GUYS (21) (B) (CD) (G)	C Y Ho 78
7	0/00- HAPPY WINNER (98) (H)	K Leung 62
8	3542-2 WINNING WAYS (21) (HT)	Z Purton 80
9	900-09 LOOK ERAS (7) (TB) (C)	K H A Chan(10) 80
10	5258-7 TRAVEL DATUK (21) (B)	A Badel 80
11	3317-6 GOUTEN OF GARO (21) (TB) (CD) (G)	L Hewitson 74
12	0060-3 OVERSUBSCRIBED (21) (H)	J Moreira 78
13	5999-7 SUMSTREETSUMWHERE (14) (HV) (C) (G)	RESERVE 80
14	00-0 VICTORY MASTERY (25) (E/S)	RESERVE 55

\*BETTING: 5/2 Winning Ways, 7/2 Happy Good Guys, 4 Oversubscribed, 6 Dr Proactive, 12 Everbrave, Gouten Of Garo, 14 Travel Datuk, 16 Look Eras, 20 Others



Zac Purton will be happy to have picked up the ride on Winning Ways

## 12.15 THE CRAIGENGOWER CRICKET CLUB CHALLENGE CUP (H'CAP) (CLASS 4) (3YO+) (COURSE C) (TURF) 1m 3yo plus 12 dec.

1	7606-1 PLAY WISE (21) (B) (CD) (G)	M Poon(2) 75
2	8865-6 HARRIER JET (21) (TB) (C) (G)	N Callan 80
3	8585-4 LET'S TAKE IT EASY (14) (HP) (CD) (G)	K Leung 80
4	0-0 TOUCH OF FAITH (35) (B)	K Teetan 49
5	531-47 VILLA FIONN (17) (B) (D) (GF)	M Chadwick 78
6	7797-6 PERFECT TO PLAY (21) (T) (CD) (GF,G)	C Y Ho 79
7	9840-6 CIRCUIT NUMBER ONE (14) (HT)	H T Mo(3) 79
8	360-8 METHANE (25)	L Hewitson 78
9	2335-6 CITY LEGEND (28) (B)	Z Purton 80
10	9203-8 ENJOY LIFE (14) (B) (CD) (GF,G)	J Moreira 79
11	6704-1 POLYMER LUCK (28) (B) (CD) (G)	G Van Niekerk 74
12	7378-9 SUPREME PLUS (17) (B)	M Yeung 80
13	0907-0 WILLFUL (25)	RESERVE 63
14	088-68 CROWN AVENUE (9) (V) (C,D) (A,GF,G)	RESERVE 77

\*BETTING: 3 City Legend, 9/2 Enjoy Life, 7 Polymer Luck, 8 Let's Take It Easy, Play Wise, Villa Fionn, 10 Perfect To Play, 12 Circuit Number One, 14 Harrier Jet, Methane, 20 Others

## 12.45 PERCIVAL HANDICAP (CLASS 4) (3YO+) (COURSE C) (TURF) 6f 3yo plus 12 dec.

1	014-63 LORIZ (21) (B) (CD) (G,GF)	K H A Chan(10) 75
2	0 SMART THINKER (14) (B)	N Callan 47
3	2312-2 MEHBOOB (21) (CD) (G)	M Chadwick 74
4	5956-1 GOOD FOR YOU (28) (B) (CD) (G,GF)	G Van Niekerk 80
5	83 WINNER'S HEART (14)	Z Purton 73
6	0090-5 CEREFINO (28) (T) (C) (GF)	K Teetan 80
7	DASHING GRACE (E/S)	M Yeung 78
8	05-0 FOREVER SHARP (25) (T)	A Badel 75
9	580-33 CALIFORNIA RAD (14) (TP) (BF)	T Piccone 79
10	700-00 KING PRINT (21) (B) (HT)	H Lai 76
11	2783-6 SHINING ON (28) (CD) (G)	C Y Ho 75
12	8686-7 AURORA STEED (14) (B)	J Moreira 75
13	CENTENARY IBIS	RESERVE 75

## 1.15 WONG NAI CHUNG HANDICAP (CLASS 4) (3YO+) (COURSE C) (TURF) 1m 3yo plus 12 dec.

1	80032- THUNDER STOMP (49) (CD) (G)	G Van Niekerk 80
2	1341-5 FLAME LILY (28) (T) (CD) (G)	T Piccone 74
3	3344-3 ORIENTAL ELITE (28) (C) (GF,G)	N Callan 74
4	681-31 DOR DOR (14) (H) (CD) (G)	K Teetan 76
5	257-35 CASA DE FORCA (21) (P) (D) (GEA)	J Moreira 79
6	7539-0 SUPREME PATROL (31)	Z Purton 80
7	0 SNOW AIRJET (9) (TB)	H Lai 63
8	0 TUNG WAH GLORY (21) (E/S)	M Yeung 64
9	0571-7 MANAGEMENT STAR (21) (TB) (CD) (G)	C Y Ho 73
10	9701-3 LIGHTNING STEED (21) (T) (CD) (G,GF)	M Chadwick 75
11	879-0 FANTASTIC BOY (25) (B)	K Leung 76
12	9598-0 BULB ELITE (31)	A Badel 80
13	0-06 BEAUTY ANGEL (14) (T)	RESERVE 79
14	80-00 SUCCESS ALLSTARS (9)	RESERVE 68

\*BETTING: 4 Casa De Forca, Dor Dor, 9/2 Thunder Stomp, 5 Oriental Elite, 8 Lightning Steed, 10 Management Star, 12 Flame Lily, 14 Bulb Elite, 20 Others

## 1.45 SPORTS ROAD HANDICAP (DIV I) (CLASS 3) (3YO+) (COURSE C) (TURF) 6f 3yo plus 12 dec.

1	000-09 SPEED VISION (14) (TB) (CD) (GF,G)	K H A Chan(10) 96
2	818-08 SPECIAL STARS (14) (C) (G)	J Moreira 89
3	/237-9 JUMBO HAPPINESS (21) (CD)	Z Purton 92
4	6144-1 BABY (28) (B) (CD) (G)	A Badel 91
5	1234-7 MASSIVE POCKET (21) (GF)	C Y Ho 96
6	701-54 CALIFORNIA TURBO (14) (TB) (CD) (G,GF)	T Piccone 94
7	398-7 BLOTTING PAPER (28) (HB)	K Leung 87
8	2174-0 VERY RICH MAN (28) (HT) (CD) (G,GF)	H T Mo(3) 90
9	6131-2 G UNIT (21) (C) (G)	G Van Niekerk 96
10	326-59 STARLIGHT (14) (CD) (G,GF)	M Chadwick 96
11	2110-5 RELENTLESS ME (14) (B) (D) (GF)	K Teetan 90

12	41934- E STAR (46) (H) (D) (G,GF)	M Poon(2) 90
13	090-0 SO GLORIOUS (31)	RESERVE 76
14	11-0 MARVEL DRAGON (21) (T) (D) (G)	RESERVE 84

\*BETTING: 11/4 G Unit, 9/2 Baby, 6 California Turbo, 8 E Star, 14 Jumbo Happiness, Relentless Me, 16 Blotting Paper, Special Stars, 20 Others

## 2.15 RUSSELL HANDICAP (CLASS 3) (3YO+) (COURSE C) (TURF) 1m 3yo plus 12 dec.

1	1819-4 FLYING QUEST (14) (B) (CD) (G,GF)	M Poon(2) 90
2	0721-6 MAGNIFICENT (21) (CD) (G)	Z Purton 91
3	0551-3 BEAR AGAIN (21) (CD,GF) (GF)	J Moreira 93
4	1/31-3 HORSESAIN BOLT (25) (P) (D) (A,GF)	K Teetan 100
5	3458-7 PLANET STAR (21) (B) (CD) (G)	N Callan 96
6	8457-8 SMART LEADER (28) (TB) (C) (G)	T Piccone 95
7	0159-0 JOLLY HONOUR (35) (TB) (CD) (HY,G,GF)	G Van Niekerk 94
8	384-79 HAR HAR HEART (14) (CD) (G,GF)	L Hewitson 97
9	9305-7 TRIUMPHANT HORSE (21) (B)	H N J Wong(3) 95
10	0968-8 MIGHTY POWER (35)	M Yeung 92
11	0061-2 NABOO STAR (28) (TV) (CD) (GF)	C Y Ho 93
12	5904-0 JOYFUL MOMENTS (31) (A)	H T Mo(3) 93
13	10000- EARTH TRILOGY (38) (TP) (D) (GF)	RESERVE 90
14	9069-9 BEAUTY ICON (21) (TB) (G)	RESERVE 98

\*BETTING: 5/2 Bear Again, 4 Magnificent, 6 Horsesain Bolt, 7 Naboo Star, 12 Flying Quest, Har Har Heart, Jolly Honour, 18 Triumphant Horse, 20 Others

## 2.50 SPORTS ROAD HANDICAP (DIV II) (CLASS 3) (3YO+) (COURSE C) (TURF) 6f 3yo plus 12 dec.

1	92850- SUPER TURBO (41) (B) (CD) (GF)	Z Purton 95
2	00-0 SEVENTH SEA (17)	L Hewitson 89
3	3406-0 FEARLESS FIRE (28) (B) (CD) (G,GF)	N Callan 93
4	45121- MERIDIAN GENIUS (70) (CD) (GF,G)	J Moreira 95
5	SMOOTHIES (7)	A Badel 80
6	611-4 FLYING GENIUS (21) (T) (C,BF) (G,GF)	K Teetan 94
7	1008-0 MAGIC SUPREME (21) (T) (G)	G Van Niekerk 84
8	5121-2 THIS IS CLASS (14) (HP) (CD) (GF,G)	C Y Ho 97
9	002-06 FLYING SWORD (14) (P)	H Lai 96
10	000- TOP MILITARY (101)	M Yeung 86
11	/688-0 UNIQUE TREASURE (21) (H) (GF)	K Leung 87
12	00105- RIGHT HONOURABLE (49) (HET) (C) (G,GF)	H T Mo(3) 97
13	6950-0 SOLOMON'S BAY (17) (P) (D) (GF)	RESERVE 96
14	099-80 PING HAI GALAXY (17)	RESERVE 87

\*BETTING: 5/2 Meridian Genius, 7/2 Flying Genius, 9/2 This Is Class, 6 Super Turbo, 12 Flying Sword, 14 Fearless Fire, 18 Right Honourable, 20 Others



## FOOTBALL COMMENT

Trevor Steven



# BLADES OF GLORY



**D**ISCUSSING a recent game, Chris Wilder made the point that football is not all about tactics – and I agree. More than anything it's about players' commitment to their job; the raw materials that go into being a professional.

After that, extreme talents can make the difference for top sides but, as an example of how far a strong team ethic will get you, they don't come much better than Wilder's Sheffield United.

In three and a half years under the former Blades defender they have risen from the third tier to the top flight and, 25 games in, lie sixth and on course for Europa League qualification.

United's extraordinary success is down to a combination of factors, all bearing Wilder's fingerprints and none more so than their never-say-die attitude.

That can be a difficult quality to preserve in the Premier League. It only takes a couple of players to lose confidence and a squad like United's – which looks, on paper, like one destined for relegation and lacks top-flight experience – will suffer.

But they're very fit, extremely well-drilled and play the style they're comfortable with, so everyone knows what they are meant to be doing. They keep to a good shape in their 5-3-2 system and don't get stretched.

This makes them very strong defensively – only runaway leaders Liverpool have conceded fewer goals, and it's just as well given that United don't score many either – and very hard to beat.

It also helps that Dean Henderson, on loan from Manchester United, is an excellent goalkeeper.

His displays have seen him touted for England selection and it's hard to argue with that.

While Bramall Lane is a great home ground, they are not reliant on form there. Their four away wins is twice as many as Tottenham and shows how good they are at absorbing pressure.

They haven't suffered any thrashings – 2-0 has been their heaviest defeat – and have held Chelsea, Spurs and Manchester United as well as beating Arsenal and Everton.

“  
A top-six finish for Sheffield United would be ridiculous, yet it looks like it could be achievable

## NO-NONSENSE

Last summer they wouldn't have dreamed of anything more than finishing 17th, while their transfer business was focused on adding depth to the squad rather than big-money buys.

Having got through the first few matches without any embarrassments they grew in confidence, however. They probably surprised themselves and realised that they could hold their own in this division.

Now, with safety all but assured, they can think bigger – hence the club record £20m signing of young

Norway midfielder Sander Berge.

Wilder's no-nonsense approach has won him many admirers and he deserves full credit for instilling that team ethic, achieving two promotions and keeping them on a roll.

He may get linked with other jobs but I think the lifelong Blades fan is at the right club already – and, if they can stay up, the size of their fanbase means they have more potential than some other Premier League teams, such as Bournemouth.

As for European qualification, my slight concern is whether they will score enough goals to stay in the top

six. Burnley and Everton have in recent years struggled with the extra workload that the Europa League brings, so in some ways it may even be better if Sheffield United finished eighth.

But they have a great run of games coming up and neither Liverpool nor Manchester City still to play. A top-six finish would be ridiculous and yet it looks achievable.

*Trevor Steven is a former England footballer who played at two World Cups and two European Championships.*  
@TrevorSteven63

## The Premier League rejects threatening Juventus hegemony

Inter are building a title challenge on players let go by English clubs, says **Michael Searles**

**F**ROM Chelsea to Manchester United and Arsenal, the Premier League is awash with clubs hiring young head coaches committed to putting academy players at the heart of their rebuilding project.

It is an understandably attractive ideology that promises to get fans on-side – but it is not a trend that has extended to Inter Milan.

Inter boss Antonio Conte's philosophy could not be more contrasting to

that of the aforementioned teams, however there are plenty of signs that it is working.

The club are currently enjoying their most successful season since the Jose Mourinho era a decade ago and are serious candidates to deny Juventus a ninth consecutive Serie A title.

While Ole Gunnar Solskjaer has been keen to oust older personnel in favour of developing his United team, former Chelsea manager Conte has been happy to pick up those cast-offs. Last summer Inter signed both Romelu Lukaku and Alexis Sanchez, with the latter joining on loan and United continuing to pay a chunk of his wages.

Sanchez's season has been hampered by injury but Lukaku has exceeded expectations since his £73m switch to Italy, scoring 20 goals and making four assists in 29 appearances so far this season.

## CONTE'S PREMIER TROLLEY DASH

**ROMELU LUKAKU** Signed from Man Utd for £73m in the summer

**ASHLEY YOUNG** Veteran also lured from Old Trafford last month

**VICTOR MOSES** Reunited with Conte in January deal with Chelsea

**CHRISTIAN ERIKSEN** Another winter signing from Tottenham

In a bid to bolster his squad for their title push, Conte returned to Old Trafford last month to sign 34-year-old wing-back Ashley Young for £1.3m and raid his old club for Victor Moses, 29, after the Nigerian's loan to Fenerbahce was cut short.

Moses enjoyed his best ever season

under Conte at Chelsea in 2016-17, playing as a wing-back to become an integral part of the team that won the Premier League in the Italian's first season at Stamford Bridge.

Not content with the abundance of Premier League experience already acquired, Inter finished the January window by completing a deal for Tottenham's Christian Eriksen.

Conte's desire to sign older, experienced professionals, many of whom have won titles, is a clear indication of the Italian's philosophy as he attempts to re-establish Inter as a force in Serie A.

Although not another import from England, the acquisition of former Atletico Madrid captain Diego Godin on a free transfer last summer also epitomises this approach.

Conte, who led Juve to three Serie A titles, was also ruthless with the club's former stars, clearing out the

likes of Mauro Icardi, Ivan Perisic and Radja Nainggolan because they did not align with the system or character that he wanted from his players.

In Lukaku he has a forward with a physical presence whose strengths lie in holding up the ball, winning headers and, of course, scoring goals.

Equally, in Young and Moses he has acquired wing-backs who understand and excel in his preferred formations of 5-3-2 or 5-4-1 and will more than adequately be able to provide crosses for his strikers. They will all also increase competition for places.

All four of Eriksen, Lukaku, Moses and Young played as Inter beat Udinese on Sunday, closing the gap on leaders Juve to just three points.

It may not be the romantic way of winning that the likes of Chelsea, United and Arsenal appear to aspire to but, so far, his pragmatic approach has served Conte well.





# NEW-LOOK ENGLAND SENT BACK TO EARTH WITH A BUMP

South Africa good value for their win as visitors are well beaten in first ODI, writes **Felix Keith**

**A**FTER 205 days, it was back to earth with a bump for England in Cape Town yesterday. The last time Eoin Morgan's side had played a One-Day International it was that wonderful sun-soaked July evening at Lord's when the most unbelievable sequence of events saw them beat New Zealand in a super over and win the Cricket World Cup.

Back playing the 50-over format, after what feels like a lifetime, there were no such dramatic instances of good fortune as South Africa romped to a deserved seven-wicket win.

After a successful but wearing Test series against the Proteas, England have opted to try and cover several bases in the following three-match

ODI series, in which they now find themselves 1-0 down.

The 2023 World Cup in India, where they will aim to defend their crown, is in the back of the minds of Chris Silverwood and his staff, while the Twenty20 World Cup in Australia later this year is of greater concern.

Bleeding new players for those experiences and getting regulars into white-ball form while simultaneously resting key, all-format figures is not an easy balance to strike – and so it proved on Tuesday.

With no Ben Stokes, Jos Buttler, Mark Wood, Jofra Archer or Adil Rashid, England's side had a new look to it.

Tom Banton and Matt Parkinson made their ODI debuts, while Test regulars Sam Curran and Joe Denly were given opportunities to impress.

This mishmash of a selection ultimately proved their downfall.

As they have made a habit of doing, Jason Roy and Jonny Bairstow got England off to a solid start after they were put into bat by new South Africa captain Quinton de Kock. But once both fell victim to mistimed shots on the slow pitch England stumbled. The middle order came and went, undone by Tabraiz Shamsi's canny spin, and it took Denly – a 33-year-old batsman unlikely to play in either of the upcoming World Cups – to steady the ship with an innings of 87 alongside Chris Woakes (40).

His efforts got the visitors to 258-8 – a far cry from their usual innings of 300 plus, but enough to give some hope of a win. But if their relatively inexperienced batting was a problem, their bowling soon appeared to be more so. With Woakes the only survivor from

the attack which played in the World Cup final, it was to prove a tough ask to restrict the runs.

De Kock and Temba Bavuma conducted the chase with ease, playing the bowling all around the park to put on 173 together. De Kock made 107 through inventive reverse-sweeps and powerful striking down the ground, while Bavuma's quick hands and instinctive timing saw him fall just short of a century on 98.

The inadequacy of England's bowling was highlighted by Joe Root coming on at first change, ahead of Parkinson (pictured), Tom Curran and Chris Jordan, while Denly's part-time leg-spin was afforded more overs than Jordan and Sam Curran.

"We were way off the mark. We've got no excuses, we didn't adapt to the conditions," said Morgan. "The new boys will learn a lot. The guys making their debut will have got a taste of international cricket. We need to continue to learn as we did in the past."

After such a defeat England might be best served to return to their old formula on Friday in Durban, rather than trying to juggle so many objectives all at once.

CONTINUED FROM BACK PAGE

that it was not yet clear if agents would begin a legal challenge while the measures are still being drafted, or wait until the framework is implemented.

Fifa has seemingly left the door open for dialogue, but agents believe their views were not taken into account enough during the initial stakeholder consultation, deeming invitations to a handful of workshops in 2018 not sufficient to gauge opinion.

Yilmaz, who is an expert on the regulation of agents in European football, says there is no legal precedent for such a case, but in order for Fifa to implement a cap they have to show it is "legitimate, necessary and proportionate" in order not to breach free market principles.

Yilmaz believes the proposed hard cap on agents' fees would have negative effects and that if the AFA doesn't carry out its threat of legal action it could negotiate a

## THE SUPER AGENTS TAKING ON FIFA

**MINO RAIOLA** Infamously banked £41m from Paul Pogba's 2016 transfer to Manchester United. Also represents Zlatan Ibrahimovic.

**JORGE MENDES** Former DJ's Gestifute empire boasts Cristiano Ronaldo, Jose Mourinho and Bernardo Silva among its clients.

**JONATHAN BARNETT** Briton is Gareth Bale's agent and runs the Stellar stable, which has more than 400 players on its books.

compromise.

"The argument I'm putting forward is that potentially the cap would kill smaller agents and eventually it will lead to an oligopoly – a market dominated by certain agents – as it will become more concentrated," he said.

"There is a less restrictive measure: I would argue that a gradual cap, or a tiered cap, could be the way forward."

In this scenario agents' fees would be capped on a sliding scale, depending on the value of the contract – for example, 10 per cent commission for those worth under £1m, up to three per cent on those over £10m.

Malvestio agrees with Yilmaz's assessment that a compromise would be a possible and desired solution, because "some agents would also agree to a cap", provided it was not set at an "unreasonable" 3 per cent.

But with Fifa "resolute in maintaining the proposed cap" and agents holding the "completely opposite position", the issue could well be heading for a high-profile showdown in the courts.



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**IN TOMORROW'S SPORT SECTION**

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## SPORT



**TREVOR STEVEN** How Chris Wilder made Sheffield United into top six contenders **PAGE 30**

**MAGPIES LEAVE IT LATE** Saint-Maximin's strike in extra-time settles Oxford FA Cup tie



NEWCASTLE scored deep into extra-time to overcome a spirited Oxford United fightback and reach the fifth round of the FA Cup for the first time since 2006 with a 3-2 win last night. Allan Saint-Maximin (pictured) blasted into the top corner in the 116th minute to settle it for the Premier League side, who had earlier surrendered a 2-0 lead. Sean Longstaff's powerful opener and Joelinton's composed finish had the visitors in control, but Liam Kelly's free-kick and Nathan Holland's brilliant injury-time volley forced extra-time for the League One team before Saint-Maximin won it. Elsewhere in the FA Cup fourth-round replays, Liverpool beat Shrewsbury 1-0, despite playing their youngest ever line-up. Derby County beat Northampton 4-2, Birmingham overcame Coventry 4-1 on penalties after a 2-2 draw and Reading saw off Cardiff on spot-kicks after a 3-3 scoreline.

## SPORT DIGEST

## ENGLAND ARE SEEKING REDEMPTION, SAYS JONES

● Eddie Jones says England are "hell-bent" on beating Scotland this weekend after their opening Six Nations loss against France. England travel to Edinburgh on Saturday having suffered a damaging 24-17 defeat in Paris last weekend. "We understand we let ourselves and let the fans down but we are hell-bent on redemption against Scotland," Jones told BBC Radio 5 Live. "There will always be criticism, there will always be praise, we just try and minimise the poison they take in." England will be without Manu Tuilagi at Murrayfield after the centre was ruled out with a groin injury picked up against France.

## FOLAU SIGNING PROMPTS HULL KR LEGAL THREAT

● Hull KR have threatened to take legal action against fellow Super League side Catalans Dragons over the signing of Israel Folau. The BBC reports that Hull KR owner Neil Hudgell has written to the Dragons to put them "on notice" if his club suffered "financial loss" due to the signing of Folau, who was sacked by Rugby Australia for homophobic social media posts. Super League sides are worried the arrival of Folau, who said "hell awaits" gay people, could cause financial or reputational damage to the league as a whole.

## JAGUARS TO PLAY TWO NFL GAMES AT WEMBLEY

● Jacksonville Jaguars have increased their commitment to London by announcing that they will stage two NFL games at Wembley Stadium in 2020. The Jaguars have played one home game at Wembley every year since 2013, but will become the first NFL side to host two in a single campaign next season. "We're really looking forward to deepening our relationship with London," said Jaguars owner Shahid Khan, who also owns Championship side Fulham.

## AGENT ROW IN EXTRA TIME

Disagreement over commission could be set for the courts as Fifa push ahead, writes **Felix Keith**

**A** BATTLE which has been rumbling on behind the scenes in football appears set to explode into full public view over the coming months, with the sport's governing body going head to head with some of its most powerful figures.

The issue at the heart of the matter has nothing to do with what occurs on the pitch, rather the money which changes hands off it.

For the last two years Fifa has been intent on regulating the world in which football agents operate. In September those changes moved a step closer to reality when the body's stakeholders committee gave them

the provisional go-ahead. If all goes to plan Fifa will announce its regulations late this year before implementing them in September 2021.

Both sides are broadly agreed upon some of these steps, like mandatory licensing and greater education of intermediaries. Some, however, have proved an area of strong disagreement – and this is where the battle lines have been drawn.

Fifa wants to clamp down on dual representation – where an agent represents both a club and a player in a single deal – and, crucially, the amount of commission agents, like Mino Raiola (pictured), can receive.

Fifa president Gianni Infantino vowed in February 2018 to curb the "huge amount of money flowing out of the football industry", drawing a connection between the rise in agents' fees and the decline in money being spent on "training young players".

Data from the governing body's international transfer matching system showed that \$653.9m (£501.7m) was

spent on agents' fees in 2019 – a rise of 19.3 per cent on the previous year. Fifa argues this is due to the current "law of the jungle" system whereby "abusive and excessive practices" are commonplace.

To combat these practices Fifa is planning to cap commissions at 10 per cent of the transfer fee for agents representing the selling clubs and at three per cent for those acting on behalf of a player, or a buying club.

They contend the measures are "sensible, reasonable, rational, proportionate and necessary". Unsurprisingly, agents disagree and they have closed ranks to get their

counter-argument straight.

The Association of Football Agents met last month in a show of unity. They have appointed Magic Circle law firm Linklaters to represent them and oppose a situation that Gareth Bale's agent Jonathan Barnett has described as "a farce".

The AFA argues that Fifa has no right to cap their commissions because it is a free market. Talent managers in the entertainment industry, or even estate agents, are not subject to such regulations and to curb their earnings would be in breach of competition law.



Stefano Malvestio, a sports law attorney at Brazilian law firm Bichara & Motta Advogados, believes Fifa effectively enabled the current practise when it deregulated the market by replacing its 2008 rules with new, less stringent ones in 2015.

"Cutting to three per cent the maximum amount of commission for an agent who works for players on low salaries will put them out of business," he told City A.M. "My opinion is that it won't be an easy task for Fifa to demonstrate why a cap of three per cent is needed, especially when the current market practice is significantly higher."

"It might be argued that the cap is detrimental for players themselves, since they will lose access to the services of agents if they cannot remunerate them well enough."

Dr Serhat Yilmaz, a lecturer in sports law at the University of Loughborough who was present at the AFA meeting on 22 January, told City A.M.

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