



Inside the secret US-China backchannel

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How I learnt the art of saying no at work

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## Stakes raised Hizbollah and Israel clash

A Hizbollah drone explodes after being intercepted by Israeli air forces yesterday during the biggest exchange between the two sides since they fought a 34-day war in 2006.

Israel launched a wave of air strikes in Lebanon after identifying what it said were preparations by the Iran-backed militant group "to fire missiles and rockets" in an "extensive attack".

Hizbollah said it had launched more than 340 Katyusha rockets and a large number of drones at 11 military targets in Israel's north and the occupied Golan Heights; in response Israel deployed 100 jets to bomb about 40 sites over the border in Lebanon.

Last night Hizbollah leader Hassan Nasrallah sought to draw a line under the exchange, saying the attack was now over, although its impact would still have to be assessed.

Wave of air strikes page 2



Jalaa Marey/AFP via Getty Images

### Briefing

► **Russians protest over arrest of Telegram chief**

Lawmakers in Moscow have hit back over the detention of Russia-born billionaire Pavel Durov by French authorities for failing to adequately moderate illegal activity on his popular messaging platform.— PAGE 6

► **Harris haul tops \$500mn**

US vice-president Kamala Harris has brought in \$540mn since she replaced Joe Biden at the top of the Democrats' ticket, boosted by enthusiasm at the party's national convention.— PAGE 4

► **German attack arrest**

Police have arrested a man suspected of killing three people and wounding eight others in a knife attack in Solingen on Friday in an incident authorities said was an act of terrorism.— PAGE 4

► **Mpox monitoring alert**

Nigerian professor Dimie Ogoina, who rang the alarm on the revival of the disease in his home nation, has warned that infection figures are likely to be too low because of poor surveillance systems.— PAGE 2

► **Nasa turns to Musk**

The US space agency has said it will use a craft from billionaire Elon Musk's SpaceX rather than Boeing to retrieve two astronauts stranded on the International Space Station.— PAGE 8

► **UK accountant targeted**

Several private equity firms are considering offers for a stake in Grant Thornton's UK business, in a bid process aimed at securing a valuation of up to £1.5bn for the mid-tier firm.— PAGE 6

► **Attack on Ukraine hotel**

News agency Reuters has said a member of its six-strong team has been killed and two others were injured in a Russian missile strike on their hotel in the eastern city of Kramatorsk.— PAGE 2

► **€200mn cancer drug deal**

Siemens Healthineers has agreed to buy part of a Novartis business that specialises in radioactive chemicals for cancer scans, in a boost to the healthcare group's biggest line of business.— PAGE 8

# Private equity's appetite for China fades as Xi tightens grip on business

◆ Investors fear blocked exits ◆ Economy slowdown lowers interest ◆ Political tensions add to nerves

KAYE WIGGINS — HONG KONG

Most of the biggest private equity firms, including Blackstone, KKR and Carlyle, have put the brakes on dealmaking in China this year as geopolitical tensions rise and Beijing exerts tighter control over business.

Dealmaking in the second-largest economy has slowed significantly, with just five new investments — mostly small — by the 10 largest global buyout firms so far this year.

The figures underscore how quickly overseas investors' enthusiasm for China, once a hot market, has waned. The same 10 firms collectively made 30 investments in the country as recently as 2021 and similar numbers in earlier years, but activity has fallen

every year since then. This year, seven of the 10 have made no new investments at all, the figures from Dealogic show.

"China has been a rollercoaster for investors, with geopolitical tension, regulatory unpredictability and economic headwinds," said Kher Sheng Lee, Asia-Pacific co-head at the Alternative Investment Management Association.

While the country's rapid growth had fuelled a "gold rush" in the past, "today, it's more like panning for gold with a

## 'China increasingly looks radioactive as an investment market'

Han Lin, The Asia Group

magnifying glass and tweezers", he said.

For much of the past decade firms rushed to gain exposure to a large and fast-growing market, buying stakes in Chinese companies that they could later list in the US, netting their investors a large windfall.

But since ride-hailing app Didi Chuxing's troubled New York initial public offering in 2021, Beijing has cracked down on overseas listings, leaving investors with fewer ways to cash out.

China's slowing growth has also deterred investors, as have planned US restrictions on private equity investment in some Chinese technology.

"Geopolitical constraints such as outbound investment rules make China increasingly look radioactive as an investment market despite its opportu-

nities," said Han Lin, China country director at consultancy The Asia Group.

Warburg Pincus — once one of the most active US private equity firms in China, with stakes in Ant Group and classifieds site 58.com — has not done a deal in China this year and struck just two in each of the previous two years, down from 18 in 2017 and 15 in 2018.

With the exception of a small proposed deal this year to boost its stake in a warehouse portfolio, Blackstone, whose founder and chief executive Stephen Schwarzman is among the most well-known foreign dealmakers in China, has not done a private equity deal in the country since 2021, according to the Dealogic figures.

Apart from Blackstone's warehouse

deal, Advent and Bain are the only firms among the 10 to have agreed deals in the country this year, according to the data.

The data covers the 10 largest buyout groups by funds raised for private equity over the past decade, ranked by Preqin. Firms do not always disclose deals, and undisclosed investments may be missing from the data.

Bain said it had "conviction in our core themes in China, including industrials, renewables and consumer services" and that "attractive valuations and the need for growth capital offer additional opportunities".

The other firms declined to comment. Last year, US President Joe Biden signed an order restricting investment in Chinese tech in an effort to cut the flow of expertise to the Chinese military.



## Mining bosses play it cool amid talk of an M&A surge

Analysis ► PAGE 7

Austria	€4.60	Malta	€4.20
Bahrain	Din19	Morocco	Dh50
Belgium	€4.60	Netherlands	€4.50
Croatia	€4.50	Oman	OR160
Cyprus	€4.30	Pakistan	Rupee350
Czech Rep	Kc130	Poland	Zl26
Denmark	Dkr47	Portugal	€4.30
Egypt	Ee100	Serbia	NewD550
France	€4.60	Slovenia	€4.30
Germany	€4.60	Spain	€4.30
Greece	€4.30	Switzerland	Sfr6.80
Hungary	Ft1480	Tunisia	Din750
India	Rup220	Turkey	Tl150
Italy	€4.30	UAE	Dh25
Luxembourg	€4.60		

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# Incubator behind Airbnb backs arms group as wars erase investors' red lines

GEORGE HAMMOND — SAN FRANCISCO

Y Combinator, the San Francisco start-up incubator that launched Airbnb, Reddit, Stripe and Coinbase, is backing a weapons company for the first time, entering a sector it has previously shunned.

Ares Industries, which launched earlier this month, has pitched its "low-cost cruise missiles" as suited for use in a potential war between the US and China in the Taiwan Strait. The start-up claims that US weapons stockpiles would be exhausted within weeks in such a conflict and that "recent conflicts in the Middle East and Ukraine have shown that our weapons are too large, too expensive for the wars of today".

Ares' founders, Alex Tseng and Devan Plantamura, say their \$300,000 anti-

ship cruise missiles "will be 10x smaller and 10x cheaper" than today's alternatives. On the YC website, Tseng's biography consists of a single sentence: "Missiles are cool." The pair did not respond to a request for comment.

Underwriting weapons is a departure for Y Combinator, a finishing school for founders that has become one of Silicon Valley's pillars over its 19-year history. YC has historically backed software start-ups, ecommerce businesses and financial technology companies.

Against the backdrop of conflict in Europe and the Middle East, technology investors have ditched their previous red lines against investment in military hardware.

They have also been encouraged by the emergence of a crop of fast-growing companies that want to update America's armoury in return for a slice of an

annual defence budget of roughly \$800bn.

The US defence industry is dominated by an oligopoly of contractors such as Raytheon and Boeing that receive an overwhelming majority of government contracts.

Anduril Industries, the most prominent defence tech start-up, raised \$1.5bn this month to accelerate the production of autonomous weapons. That investment was led by Peter Thiel's Founders Fund, one of the first big venture capital firms to embrace defence technology.

Jared Friedman, a partner at YC, said the company started actively encouraging defence tech start-ups to apply earlier this year. "It's not that we wouldn't have funded this earlier, but simply that this is the first time that a great company like this applied," he said.

### World Markets

STOCK MARKETS				CURRENCIES				GOVERNMENT BONDS						
	Aug 23	Prev	%chg		Aug 23	Aug 16		Aug 23	Aug 16	Chg				
S&P 500	5612.17	5570.64	0.75	\$/€	1.118	1.099	€/\$	0.895	0.910		US 2 yr	3.93	4.00	-0.07
Nasdaq Composite	17802.81	17619.35	1.04	\$/£	1.319	1.289	£/\$	0.758	0.776		US 10 yr	3.81	3.85	-0.04
Dow Jones Ind	41036.55	40712.78	0.80	€/£	0.848	0.853	£/€	1.180	1.173		US 30 yr	4.10	4.13	-0.03
FTSEurofirst 300	2056.22	2045.79	0.46	¥/\$	145.160	147.995	¥/€	162.268	162.661		UK 2 yr	3.67	3.71	-0.04
Euro Stoxx 50	4907.85	4885.00	0.47	¥/£	191.474	190.789	£ index	84.268	83.032		UK 10 yr	4.01	4.06	-0.05
FTSE 100	8327.78	8288.00	0.48	Sfr/€	0.949	0.954	Sfr/£	1.119	1.119		UK 30 yr	4.44	4.50	-0.06
FTSE All-Share	4857.24	4836.02	0.47	CRYPTO				JPN 2 yr	0.36	0.36	0.00			
CAC 40	7577.04	7524.11	0.70		Aug 23	Prev	%chg	JPN 10 yr	0.89	0.87	0.02			
Xetra Dax	18633.10	18493.39	0.76	Bitcoin (\$)	61508.10	60627.79	1.45	JPN 30 yr	2.06	2.06	0.00			
Nikkei	38364.27	38211.01	0.40	Ethereum	2669.69	2637.15	1.23	GER 2 yr	2.39	2.39	-0.01			
Hang Seng	17612.10	17641.00	-0.16	COMMODITIES				GER 10 yr	2.23	2.24	-0.02			
MSCI World \$	3807.63	3630.66	-0.63		Aug 23	Aug 16	%Week	GER 30 yr	2.47	2.47	0.00			
MSCI EM \$	1100.98	1100.89	0.01	Oil WTI \$	74.76	76.80	-2.66							
MSCI ACWI \$	822.77	827.49	-0.57	Oil Brent \$	78.93	79.84	-1.14							
FT Wlshire 2500	7158.99	7222.93	-0.89	Gold \$	2483.00	2446.65	1.49							
FT Wlshire 5000	55696.60	56196.90	-0.89											

Prices are latest for edition  
Data provided by Morningstar



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## INTERNATIONAL

## Middle East

## Israel launches wave of air strikes on Lebanon

Hizbollah targeted in biggest exchange of fire since 2006 conflict

JAMES SHOTTER — JERUSALEM  
RAYA JALABI — BEIRUT  
STEFF CHÁVEZ — WASHINGTON

Israel's military launched a wave of air strikes in southern Lebanon in the early hours yesterday, in what it said was an attempt to foil an "extensive attack" by the militant group Hizbollah.

The exchange of fire was the biggest between Israel and Iran-backed Hizbollah since they fought a 34-day war in 2006, and marked an escalation of hostilities that have simmered between the two sides since the war between Israel and Hamas in Gaza began last year.

Hassan Nasrallah, Hizbollah leader, sought to draw a line under the exchange yesterday evening, saying the Lebanese militant group's attack was now over, although its impact would still have to be assessed.

"If the result is satisfactory and the intended goal is achieved, we will consider that the response operation has ended," Nasrallah said in a televised address. "If the result is not sufficient, we will reserve the right to respond at another time."

Israel began its attack shortly before 5am local time, deploying 100 jets to bomb about 40 sites in Lebanon after identifying what it said were preparations by Hizbollah "to fire missiles and rockets".

Nasrallah said the group had shortly

afterwards launched more than 340 Katyusha rockets and a large number of drones at 11 military targets in Israel's north and the occupied Golan Heights, triggering air raid sirens across the area.

At a cabinet meeting yesterday

**'If the intended goal is achieved, we will consider the response has ended'**

Hassan Nasrallah, Hizbollah

afternoon, Israeli Prime Minister Benjamin Netanyahu said his country's strike had destroyed thousands of short-range rockets and all the drones launched by Hizbollah — which he said had been meant to hit a "strategic

target" in the centre of Israel. "[Hizbollah leader Hassan] Nasrallah in Beirut and [Iranian supreme leader Ayatollah Ali] Khamenei in Tehran need to know that this is an additional step in changing the situation in the north, and returning our residents securely to their homes," Netanyahu said. "And I reiterate — this is not the end of the story."

Hizbollah said its barrage was a retaliation for Israel's assassination last month of Fuad Shukr, one of its most senior commanders, in an air strike in Beirut.

The killing of Shukr was followed the next day by the assassination in Tehran of Ismail Haniyeh, political leader of the Palestinian militant group Hamas. It prompted Hizbollah and Iran to pledge retaliation against Israel, fuelling fears

that the region could be sliding towards an all-out conflict.

Nasrallah acknowledged that Hizbollah's retaliation had been delayed in part because of the mobilisation of Israeli and US military forces in the region. He said that a response from Iran and its Yemeni Houthi allies was yet to come.

As the exchange of fire unfolded yesterday, Israel's Ben Gurion International Airport in Tel Aviv suspended flights.

In Lebanon, the Israeli strikes hit around 30 different targets in the south of the country, mostly in areas close to the border, but some further inland.

Nasrallah said Hizbollah's attack had gone "as planned" and denied Israeli claims that the group had intended to fire thousands of projectiles.

## Media injured

## Journalists hit in Russian missile attack on hotel in east Ukraine

CHRISTOPHER MILLER — KYIV

A member of a Reuters news team was killed and two others were injured after a Russian missile attack on their hotel in the eastern Ukrainian city of Kramatorsk.

Reuters said the Hotel Sapphire, where its six-person team was staying, was hit on Saturday night.

The office of the prosecutor-general of Ukraine said yesterday evening that the body of a UK citizen had been recovered from the debris of the hotel.

The Financial Times understands that the dead person was the Reuters team's security adviser. Events at the hotel were confirmed by one of the hospitalised journalists, but the FT is not publishing the identities of the team at this time at the injured party's request.

The prosecutor-general's office said in an earlier statement on messaging service Telegram that it had opened a "pre-trial investigation" into the attack, which it said happened at 10.55pm local time on Saturday.

"Russian troops struck the city of Kramatorsk, probably with an Iskander-M missile," it said. The Iskander is a ballistic missile with a range of up to 500km.

Prosecutors said two journalists, aged 38 and 40, were being treated for blast-related injuries, brain contusions, leg fractures and cuts.

Donetsk Oblast governor Vadym Filashkin said a high-rise residential building was also damaged in the attack. Emergency workers continued to search for the Reuters staff member while clearing the debris yesterday.

Russian military bloggers and politicians boasted about the attack on Telegram, claiming falsely that the Kremlin's forces had struck an army facility.

"In Kramatorsk, a strike was carried out on the Sapphire Hotel building, where the Ukrainian Armed Forces were usually stationed, according to preliminary data," wrote Oleg Tsaryov, a former Ukrainian MP who now supports Russia's war against his home country.

Kyiv condemned the attack, with Ukrainian foreign ministry spokesperson Heorhii Tykhyi saying "another heinous and deliberate Russian strike hit Kramatorsk's residential areas last night, injuring foreign media journalists in a hotel."

"Targeted strikes on media have become Russia's systemic war tactic. These barbaric war crimes must be condemned, prosecuted, and punished," he wrote on social media platform X.

Russia has repeatedly attacked hotels where foreign media and humanitarian organisations have been known to stay. An attack on Hotel Kramatorsk and neighbouring restaurant Ria Pizza in June 2023 killed 13 people, including journalists and humanitarian workers, and soldiers who were dining at the restaurant.

At least 15 journalists and media workers have been killed in the line of work during the war, according to the Committee to Protect Journalists.

Saturday's attack was one in a series of Russian strikes overnight. An earlier Russian attack on Saturday on a residential area in Kostyantynivka, 30km south of Kramatorsk, killed five civilians, according to local authorities.

## Economics. Jackson Hole

## Hopes of global soft landing set scene for rate cuts

Central bankers reject fears growth must be sacrificed in order to reach inflation goals

COLBY SMITH  
JACKSON HOLE, WYOMING

Against the dramatic backdrop of the Teton mountain range, something many had considered all but impossible appeared to be in sight for the top central bankers who had travelled to Wyoming for the Jackson Hole symposium.

After experiencing the worst inflation shock in four decades, those in attendance at the Kansas City Federal Reserve's annual conference at the weekend were hopeful they were close to beating the odds and achieving a soft landing for the global economy.

Andrew Bailey, governor of the Bank of England, and Jay Powell, his counterpart at the Federal Reserve, hit back at fears that growth would need to be sacrificed to reach their inflation goals. As they begin to cut borrowing costs, both men signalled they were still on course to avoid a recession.

Economists in the audience echoed their optimism. "No one knows exactly what the next few months will bring, but data indicate that there will be continued low unemployment and continued strength," Heather Boushey, a member of US President Joe Biden's Council of Economic Advisers said.

Two years ago, the prognosis was bleak. Raising interest rates aggressively to stamp out the worst bout of inflation in advanced economies since the 1980s was expected to trigger a painful downturn that would cost millions their jobs. At the time, policymakers warned that it was the most challenging economic landscape they were having to navigate in recent memory.

But the past 12 months have been a game-changer. Inflation fell dramatically over the second half of 2023, moving well off of its 2022 peaks, and now appears on track to hit central banks' prized 2 per cent targets. In some cases, such as the UK, it has already done so. Throughout, labour markets have remained on solid footing.

Still, officials are aware of the challenges ahead. Markets have moved to reflect expectations of lower borrowing costs, helping to ease interest rates



**Cautiously optimistic: from left, Jay Powell, chair of the Federal Reserve, Tiff Macklem, Bank of Canada governor, and Andrew Bailey, Bank of England governor, discuss policy at Jackson Hole**

Natalie Behring/Bloomberg

charged on mortgages and other financial products. But central banks still have to follow through.

A bout of market turmoil in early August, following lacklustre US jobs data and a surprisingly hawkish turn from the Bank of Japan, highlighted the undercurrent of angst about the economic outlook.

The August equity sell-off was an "early taste" of a possible "risk-off event", especially if the moderation in growth gave way to a more serious downturn. Pierre-Olivier Gourinchas, chief economist at the IMF, warned in an interview with the Financial Times. "We're going to see some volatility, because the market has to adjust to a new phase in the disinflation cycle,

which is the normalising of monetary policy," he said.

Gourinchas endorsed the pivot from central banks, saying it was the "right" move. "In principle, this easing could be good for global growth because it will help stabilise activity," he said.

He added that emerging market economies in particular would benefit from a weaker dollar — a likely consequence of lower US interest rates.

The European Central Bank, Bank of England and Bank of Canada have all lowered interest rates this summer and are expected to reduce them further in the coming months. The Fed is set to join them in September, as Powell signalled on Friday. That meeting comes just six weeks before the US presidential

**'In principle, this easing could be good for global growth because it will help stabilise activity'**

## Health emergency

## Nigerian WHO expert warns of inadequate mpox surveillance

AANU ADEOYE — LAGOS

A Nigerian professor who alerted the world to the re-emergence of mpox in his home country has warned that experts are working "blind" on the viral disease's latest surge in Africa because of a lack of adequate surveillance systems.

Dimie Ogoina, chair of the World Health Organization's emergency committee of independent experts on mpox, said case numbers in an outbreak that has officially infected more than 17,000 people were likely to be underestimated because of a shortage of rapid diagnostic tests and inadequate data collection.

"We're under-reporting cases because our surveillance system is not active enough," Ogoina told the Financial Times. "Now that we have a new mpox [type]... it is time for us to rethink our surveillance system and make it more proactive."

The WHO last week triggered a second public health emergency for mpox in barely two years, a sign of growing alarm over the spread of the viral disease's more infectious clade 1 types in Africa. Ogoina, who alerted the world to

Nigeria's first mpox case for decades in 2017, said the situation was "unprecedented" in the Democratic Republic of Congo, the epicentre of the current outbreak.

He hopes that the WHO declaration will encourage its partner bodies and countries to direct more resources to the health body's "response plan". WHO director-general Tedros Adhanom Ghebreyesus on Friday said the plan needed \$135m in funding over the next six months.

Ogoina said there was too much reliance on "evidence from the global north. [But] genetics and responses in immune systems are different", adding: "If we don't know our gaps [in health coverage] and our contexts, natural history, transmission dynamics, we're working blind."

A professor of medicine and infectious diseases at Nigeria's Niger Delta University, Ogoina was honoured by Time magazine as one of the world's 100 most influential people in 2023 for his research on what was formerly known as monkeypox.

The current outbreak began last year in the DRC and has spread to about a

dozen African countries and has been diagnosed in visitors to several European and Asian countries.

More than 17,000 confirmed or suspected cases and more than 500 deaths have been reported this year from 13 African Union member states, according to the Africa Centres for Disease Control and Prevention. The caseload in the DRC accounted for 96 per cent of the continent's total.

Mpox can cause fever, skin lesions and sometimes death. It can be more severe among patients with uncontrolled HIV and is transmitted through

contact with infected people or animals, or contaminated materials.

Ogoina, who argues that global public health stakeholders should have invested more resources in managing the disease long before it reached the west in 2022, outlined several differences in the latest upsurge.

As the more transmissible clade types circulate, patients are presenting with symptoms in DRC's neighbours such as Rwanda, Uganda and Burundi and further afield in Kenya, countries that had never reported mpox cases.

This clade 1b type was rapidly spreading among adults in the DRC, Ogoina said, including heterosexuals with "high-risk sexual behaviours and a history of contact with female sex workers", whereas the "classical clade 1" variant was known to infect mostly children.

The new variant also produced false negatives in tests, he said, meaning health workers could believe a patient did not have mpox. "We are uncertain about so many things and that's what makes it so dangerous," Ogoina said of the new variant. "There is potential for it to cause serious disease [and] to spread in the population."



**Mpox can cause fever, skin lesions and sometimes death**

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## INTERNATIONAL

# Africa struggles to capitalise on overtures from global powers

Despite foreign states' wooing, debt piles soar and colonial-style trade ties persist

DAVID PILLING — LONDON

Many of Africa's leaders will descend on Beijing next month for the latest three-yearly summit with China.

These collective jamborees have become a familiar part of global summitry — and not just with China.

In the past two years alone, the 54 African heads of state have been invited en masse to Washington for a US-Africa summit hosted by President Joe Biden, to St Petersburg for the second Russia-Africa summit with President Vladimir Putin, and to March's Italy-Africa summit in Rome presided over by Prime Minister Giorgia Meloni.

African leaders have also had their choice of invitations to similar gatherings in Turkey, Saudi Arabia and, just this June, South Korea — the latest country to get in on the act of African summitry. Many will also fly off to Yokohama next year as Japan becomes a host, too.

Lazarus Chakwera, Malawi's president, reflecting recently on the bonanza of diplomatic, security and trade opportunities open to African nations, told his hosts during a visit to London that, while it was "good to have a Chinese meal sometimes", an all-you-can eat buffet was even better.

China is certainly not the only option on the menu. Measured by dispersed loans, Chinese interest in Africa peaked in 2016 when sovereign lending was worth \$28.4bn, according to figures compiled by Boston University, versus lending of about \$1bn in 2022. But as

attention from China has cooled, interest from several other nations, including Russia, India, the United Arab Emirates, Turkey and Brazil, has increased.

Africa is usually not at the top of the world's diplomatic agenda, particularly at a time of conflict in the Middle East and Europe. But experts say many countries feel the need to develop or renew their "Africa strategy" because of the continent's rapidly growing population, its high concentration of critical minerals and its 54 votes at the UN.

Chidi Odinkalu, a professor at Tufts University's Fletcher School of Law and Diplomacy, said he was worried that rather than benefiting from having a seat at so many tables, Africa continues to find itself on the menu. He also wonders what it said about the continent that single countries deemed it acceptable to negotiate with the collective leaders of Africa at once.

According to figures from the World Bank, despite all the interest from potential investors, manufacturing has declined as a percentage of gross domestic product in sub-Saharan Africa, falling from 18 per cent in 1981 to 11 per cent last year. Most African countries remain locked in colonial-style trading relationships in which they export raw materials and import finished goods, Odinkalu said. "I think it's a story of missed opportunities."

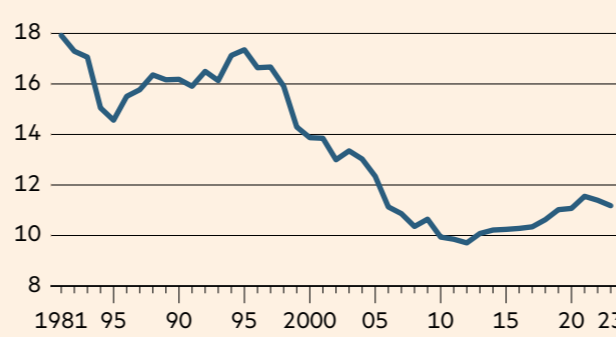
While African countries may not have deepened their trading and investment relations, they have certainly broadened them.

India has become the third-biggest



## Domestic manufacturing makes up a declining share of African output

Sub-Saharan Africa, manufacturing gross value added as a % of GDP



Source: World Bank

**President Vladimir Putin and country leaders gather on stage for a photo shoot at the second Russia-Africa summit in July last year**

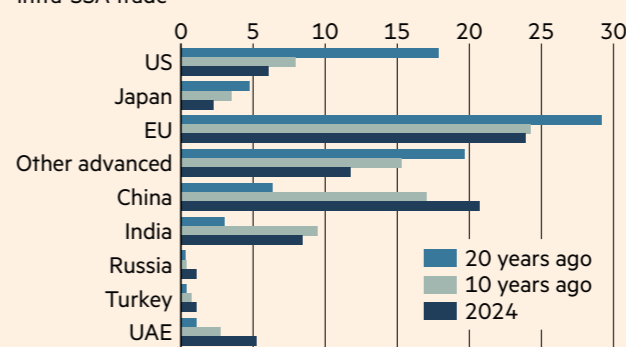
Getty Images

trading partner with the continent after the EU and China. Meanwhile, the UAE's trade with Africa has increased nearly fivefold in the past 20 years — much of it gold and diamonds — to make the nation the continent's fourth-biggest investor, with cumulated investments of nearly \$60bn in the past decade.

One of the risks of having so many options, said Kenyan political commentator Patrick Gathara, was that some African governments, including his own, have borrowed too much. Zambia, Ghana and Ethiopia have all defaulted and the IMF estimates that 25 African countries are at high risk of debt dis-

## Africa has been broadening trade relationships

Share (%) of sub-Saharan Africa's total trade\*, excluding intra-SSA trade



\* Exports and imports (12-month sums to April of 2004, 2014 and 2024)  
Source: IMF DOTS

stress. Kenya's efforts to meet its loan obligations by squeezing more tax from its people brought waves of mass protests on to the streets, forcing President William Ruto to backtrack.

Alex Vines, head of the Africa Programme at Chatham House, a UK think-tank, said African nations were trying to "better define" their national interests. Like Odinkalu, he worries that they do not always have the diplomatic or civil service bandwidth to take advantage.

Vines compared the strategy of being friends with many nations but the client of none with the stance taken by Djibouti, which has rented out its Red

**'A lot of African countries are trying to find a middle way through all of this'**

Alex Vines  
Chatham House

Experts say the continent's nations do not always have the diplomatic bandwidth to exploit opportunities

Sea coastline for the bases of several competing powers, including China, the US, France and Japan.

South Africa, a member of the Brics nations alongside Brazil, Russia, India and China, and now Egypt, Ethiopia, Iran and the UAE, has pursued a sometimes uncomfortable non-aligned policy that has seen it conduct naval operations with Russia and China while courting investments from the west.

Ken Opalo, associate professor at Washington's Georgetown University, said too much interest in the continent by outside players was not always a good thing. He cited as an example the war in Sudan, which erupted last year and dragged in "middle powers", including the Gulf states and neighbours such as Egypt and Ethiopia. The UAE is accused of stoking the conflict by backing the paramilitary Rapid Support Forces.

Opalo fears the war will result in "a Libyan stalemate", a reference to another messy ending to a conflict that several foreign powers became embroiled in.

In Europe, despite the trade opportunities, Africa is often regarded as a potential source of instability, terror and migrants due to its population being forecast to reach 2.5bn by 2050, Isis and al-Qaeda affiliated insurgencies, and political uprisings.

Mali and Niger cut diplomatic ties with Ukraine this month amid an escalating dispute over whether Kyiv provided support to rebels that killed Malian soldiers and mercenaries linked to Russia's private military group Wagner.

Coups in Mali, Niger and Burkina Faso have been followed by the juntas expelling French and US troops and forging closer ties with Russia and Wagner. In most cases, the shift has been accompanied by an increase in violence, according to Acled, an organisation that collects conflict data.

"A lot of African countries are trying to find a middle way through all of this," said Vines. "And there lies the difficulty. There's a lot of miscalculation."

*This is the second in the Clamour for Africa series on foreign powers' roles in the continent's politics, security and trade*



Paul Gauguin

*The blue roof or Farm at Le Pouldu, 1890*

acquired by the National Gallery of Australia

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## INTERNATIONAL

## US election

## Harris campaign funds soar past \$500mn

Convention week helps attract 'unprecedented grassroots donations'

STEFF CHÁVEZ — WASHINGTON

Kamala Harris has raised more than \$500mn since entering the White House race, boosted by donor enthusiasm during last week's Democratic National Convention.

The US vice-president has brought in \$540mn since she replaced President Joe Biden at the top of the party's ticket for November's election, including \$82mn during DNC week, according to a memorandum from campaign chair

Jen O'Malley Dillon. The total comprises money flowing to the campaign, the Democratic National Committee and joint fundraising committees.

O'Malley Dillon said the haul was "a record for any campaign in history".

The fundraising coalition crossed the \$500mn mark on Thursday, just before Harris took to the stage at the DNC in Chicago for the most important speech of her life, and "immediately after... we saw our best fundraising hour since launch day", O'Malley Dillon wrote.

She also said there had been "unprecedented grassroots donations" during the convention week, with a third of donations coming from first-time contributors. Of those new donors, 20 per

cent were young voters and two-thirds were women.

During the four-day Democratic gathering, the party made efforts to rebrand itself as the nation's patriotic champions, with the vice-president casting the

Of those new Democratic party donors, 20 per cent were young voters and two-thirds were women

defeat of Donald Trump on election day as a country-loving act.

"It is now our turn to do what generations before us have done," Harris said

to a packed flag-waving crowd who cheered her as the candidate of change. "Guided by optimism and faith, to fight for this country we love."

The new fundraising figure comes after Harris brought in four times as much as Trump in July: \$204mn compared with the former president's \$48mn, according to a Financial Times analysis of federal filings, potentially closing a fundraising gap the Republican had opened over Biden.

Harris's campaign ended July with \$220mn in cash on hand, while Trump's campaign had \$151mn.

However, the former president is still cashing cheques from megadonors, including a \$50mn contribution from

billionaire Timothy Mellon, scion of the US banking dynasty, last month. During a swing state campaign stop on Friday, Trump attacked Harris for being a policy "flip flopper" and welcomed the endorsement of former Democrat Robert F Kennedy Jr, who suspended his own long-shot presidential bid.

With the electric energy for Harris still palpable, Trump campaign pollsters Tony Fabrizio and Travis Tunis conceded in a memorandum on Saturday that "post-DNC we will likely see another small (albeit temporary) bounce for Harris in the public polls".

Harris is leading Trump by 3.6 points nationally, according to a FiveThirtyEight polling average.

## Syrian national

## Man arrested after 3 die and 8 wounded in Germany knife attack

GUY CHAZAN AND SAM JONES — BERLIN

German police have arrested a man suspected of killing three people and wounding eight others in a knife attack in the west German city of Solingen on Friday in an incident authorities said was an act of terrorism.

Herbert Reul, interior minister of the western state of North Rhine-Westphalia, where Solingen is located, announced the arrest on German TV on Saturday night. He said evidence had been found linking the man to the attack.

"The person we've been looking for all day, he has been in custody now for a short time," Reul said. He said authorities suspected him "to a high degree" of being the perpetrator.

Police confirmed early yesterday that the arrested man was a Syrian national. An arrest warrant approved by a judge identified him as Issa Al H, and said he had planned to flee the country following the attack.

The public prosecutor's office said he had handed himself in and had confessed to carrying out the attack. He was currently being interrogated.

On Saturday, the militant group Isis claimed responsibility for the incident, calling the assailant a "soldier of the Islamic State" in a statement on its Telegram account. "He carried out the attack in revenge for Muslims in Palestine and everywhere," the group added.

The attack has fanned an already fractious national debate over immigration, with just a week to go until important state elections in Saxony and Thuringia.

The far-right anti-immigration Alternative for Germany (AfD) party is profiting from voters' anger with the country's political establishment and tops polls in both states.

In an email to supporters yesterday, Friedrich Merz, head of the conservative opposition Christian Democratic Union, called for an immediate ban on all new refugees from Afghanistan and Syria. The CDU is fighting to retain its share of the vote in Saxony and Thuringia against the AfD.

"Enough is enough. Now it's up to the chancellor to act," Merz wrote, calling for Chancellor Olaf Scholz to break with his green and liberal coalition partners if necessary and side with the CDU in parliament to impose tough new measures on immigrants.

Scholz said he had been "shocked to the core" by the attack, which occurred on the Fronhof, a market square in Solingen where people were listening to live bands as part of a three-day festival marking the 650th anniversary of the city's foundation.

"An assailant brutally killed several people," he wrote on X. "We grieve for the victims and stand with their families... The perpetrator must be apprehended and punished with the full force of the law."

Germany's interior minister Nancy Faeser said society had to stand together in the face of such incidents. "At such times we won't allow ourselves to be divided," she said.

"We are full of shock and grief," Solingen mayor Tim-Oliver Kurzbach told journalists on Saturday.

Hendrik Wüst, prime minister of North Rhine-Westphalia, said the attack had struck his region in the heart and was an "act of terror that was designed to shatter our way of life".

## East Asia. Intelligence services

## Failures blow South Korea's spies into the open

Scandals, politicisation and weak legal foundations undermine espionage efforts

CHRISTIAN DAVIES — SEOUL

South Korea's espionage agencies generally operate in the shadows but recent failures have cast their operations in an unflattering light just as Seoul seeks to deepen its security co-operation with western partners.

Last month, the FBI exposed a years-long effort by Korean intelligence operatives based in Washington to cultivate a former CIA analyst, whom US authorities accused of working illegally as a foreign agent for Seoul. Soon after, it emerged that an employee of South Korea's defence intelligence command had been charged by a South Korean military court with leaking lists of names and locations of undercover agents in North Korea and other countries to a Chinese citizen.

The two events, and the partisan recriminations they have provoked in Seoul, have raised questions as to whether South Korea's spies are adequately equipped to navigate a mounting North Korean threat and intensifying US-China tensions.

"The country was already feeling on edge because of the deteriorating global security situation, US tensions with China and the prospect of a second [Donald] Trump presidency," said Jeongmin Kim, lead analyst at Seoul-based information service Korea Pro. "Now it has to worry about the basic competence of its security services as well."

She added that while the FBI's publication of photos and transcripts of South Korea's National Intelligence Service gifting luxury goods and wine and dining former CIA analyst Sue Mi Terry at high-end restaurants had been an "ego-shattering moment", the consequences of the KDIC leak were "potentially disastrous".

"We are concerned that South Korea's human intelligence gathering operation in North Korea could collapse," Lee Seong-kweun, a conservative member of South Korea's parliamentary intelligence committee, told the Financial Times.

South Korea's intelligence agencies have spent decades engaged in a largely unseen struggle with the North, with the civilian NIS tasked with preventing infiltration by Pyongyang as well as running its own intelligence networks deep



Eye on the spies: experts have questioned whether South Korea's National Intelligence Service is equipped to navigate a mounting North Korean threat and intensifying US-China tensions

FT montage; Dreamstime

inside Kim Jong Un's regime. But counter-espionage efforts were hamstrung by an outdated legal framework, said Jaewoo Choo, a professor of foreign policy at Kyung Hee University in Seoul. South Korean law only criminalises activity conducted in the service of North Korea — meaning that anyone found to have leaked secrets to any other country, including China, cannot be charged with espionage.

Kim of Korea Pro said that in a polarised environment in which South Korean politicians routinely accused each other of acting in the interests of foreign powers, many were reluctant to expand the law's scope for fear it could be deployed against them.

"Leftwing politicians are worried they will be accused by their opponents of spying or working on behalf of China, while conservative politicians are worried they will be accused of spying or working on behalf of the US and Japan," she said.

Reform efforts are also complicated by the NIS's long history of being used by South Korean governments to monitor and intimidate political opponents.

As recently as 2017, the agency assigned "information officers" to government bodies, companies and media organisations — a practice leftwing critics argue was used to gather compromising material on domestic dissenters.

Park Sun-won, who served as a high-ranking official in the NIS between 2018 and 2022 under former president Moon Jae-in, said Moon's administration had sought to professionalise the service by shifting its attention from domestic to foreign intelligence gathering and counterterrorism efforts.

"Our achievements meant that MI5 and MI6 wanted to work with our side, and we levelled up co-operation with the CIA and other players including the Australian, French and German intelligence services," said Park, who rose to the position of NIS deputy director and

'We are concerned that South Korea's human intelligence gathering operation in North Korea could collapse'

now serves as the ranking member of the South Korean parliament's intelligence committee from the opposition Democratic party.

He accused the current government led by conservative President Yoon Suk Yeol of "wanting to use the NIS for political ends again", describing the agency in its present state as "defunct". But conservatives, including intelligence committee member Lee, argue that Moon's "dangerous and reckless" reform efforts stripped the agency of expertise and important investigative powers, leaving it toothless and demoralised.

A security expert with close ties to South Korea's national security establishment said the lack of bipartisan consensus surrounding the NIS's proper role had left the agency riven by factionalism and suffering from low levels of public trust.

"In the past, the NIS was not adequately supervised and frequently overreached its authority," the expert said, speaking on condition of anonymity because of the sensitivity of the issue.

"Now we have the opposite problem. Whether the left or the right is in power, because the NIS is so directly subordinate to the president and lawmakers, it is extremely vulnerable to politics. The result is an excessive turnover of officials, infighting, leaks and questions about their competence."

Choo said that South Korea's outdated espionage laws also left the country highly vulnerable to Chinese industrial espionage, which in turn threatened to complicate Seoul's efforts to collaborate more closely with western partners on cyber security and joint defence technology development.

South Korea has expressed an interest in participating in part of the trilateral Aukus security pact between the US, UK and Australia focusing on advanced technologies, including artificial intelligence and quantum computing.

But western diplomats in Seoul privately express reservations about South Korean practices for protecting sensitive information. Concerns range from the resilience of the country's cyber defences, to the security software installed on Korean officials' devices, to the fact that South Korea's political class operates principally on the Russian messaging app Telegram.

"South Korea does not yet have the legal or institutional foundations to protect its most sensitive information, which is damaging its prospects of being welcomed into the inner circle of the western alliance," said Choo.

Additional reporting by Kang Buseong

## Thailand

## Shinawatra clan returns to power but analysts cast doubt on survival of new premier

A. ANANTHA LAKSHMI — JAKARTA

Thailand's elevation of its youngest-ever prime minister last week averted an immediate crisis, but the new administration could rekindle old strains between the country's most influential political family and its powerful royalist-military elite.

Paetongtarn Shinawatra, the 38-year-old scion of Thailand's Shinawatra clan, was appointed premier last week following the sudden dismissal of her predecessor, Srettha Thavisin, by the constitutional court over an ethics breach.

Her election by parliament has preserved a shaky alliance between the Shinawatras' Pheu Thai party and its historic rivals aligned with the royalist-military establishment at a crucial time for Thailand, as south-east Asia's second-largest economy struggles to mount a recovery following the pandemic.

But analysts and political observers are questioning how long Paetongtarn, a political newcomer, will manage to remain in power. The conservative elite

has repeatedly removed elected prime ministers through military coups and court verdicts. "Although Paetongtarn will likely survive in the role for the near term at least, she faces considerable risk of [being ousted] by the establishment," said Peter Mumford, south-east Asia head at Eurasia Group.

Paetongtarn's election capped a rapid ascent. The new premier, who has never held political office, is the youngest child of populist former prime minister Thaksin Shinawatra, a billionaire telecommunications tycoon who was ousted in a 2006 coup and has dominated the Thai political landscape for the past 20 years. Thaksin's sister Yingluck also served as prime minister before being deposed by the conservative elite.

Thaksin, 75, does not have an official position in the new government but he has played an increasingly active public role since returning to Thailand in 2023 from 15 years of self-imposed exile and could wield more influence in his daughter's administration.

A rejuvenated Shinawatra clan is unlikely to be welcomed by the royalist-military establishment, which has maintained its grip on power despite repeated election losses.

Paetongtarn has inherited a coalition government that was an unlikely marriage of convenience. Srettha, a former property tycoon and ally of the Shinawatras, was seen as a compromise between Pheu Thai and military-backed parties keen to block the progressive Move Forward party from power.

Move Forward, which won the most seats in last year's election, had campaigned on a platform of wide-reaching reforms, including to the country's notorious lese majeste law. The party was dissolved this month by the constitutional court, which said Move Forward's policies amounted to an attempt to overthrow Thailand's political system as a constitutional monarchy.

The truce enabled Thaksin's return from exile, where he was avoiding a prison sentence on corruption and abuse of power charges, but signals are

rising that the fragile détente is fraying. Srettha was dismissed this month over the cabinet appointment of a former lawyer and Shinawatra ally who had been briefly imprisoned on charges of bribing a court official, a violation of the military-drafted constitution.

Thaksin was charged in May for alleg-



The Shinawatra family poses in front of a portrait of Thailand's king

edly insulting the country's monarchy in 2015. Paetongtarn's premiership also faces its most likely challenge from the constitutional court, according to analysts. Four Thaksin allies who have served as prime minister have been removed by the court in recent years.

The court has also dissolved previous incarnations of Thaksin's party and Move Forward, forcing them to reconstitute under new banners.

The country's judiciary had become "part and parcel of the royalist establishment", said Thitinan Pongsudhirak, professor of international relations at Chulalongkorn University, citing the dissolution of election-winning parties and rulings favouring the elite. "What we are seeing is a judicial overdrive and there will be repercussions."

Analysts said one threat to Paetongtarn could be a \$14bn cash handout scheme, a campaign pledge central to Srettha's ambitions to reinvigorate Thailand's economy, which has, with an annual growth rate of just 2 per cent, lagged behind regional peers.

The plan would see the government give one-off payments of 10,000 baht (\$290) to about 50mn low-income citizens via a digital wallet. But it has been repeatedly delayed by legal and financial obstacles, as well as opposition from the central bank, which favours structural reform to address weak productivity and an ageing population over stimulus measures to spur consumer spending.

Paetongtarn has said she will examine the policy to ensure it complies with Thailand's fiscal discipline law, but economists say its prospects are increasingly dim.

Populist policies have doomed previous Pheu Thai governments. Yingluck was impeached by the parliament in 2015 for alleged mismanagement of a rice subsidy scheme, months after she was ousted in a military coup.

"For a political party to advertise populism can be a constitutional 'no-no'," said Paul Chambers at Thailand's Naresuan University. "That's what has bedevilled the Pheu Thai party."

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**Baby steps** How 'rolling up' fertility clinics is giving birth to a wealth of investment opportunities for private equity LEX

# Companies & Markets

## French arrest of Telegram chief causes fury in Russia

- Calls from Duma to release Durov
- Musk joins 'free speech' backlash

HANNAH MURPHY — SAN FRANCISCO  
ANASTASIA STOGNEI — TBILISI  
ADRIENNE KLASA — PARIS

Russian lawmakers have hit back over the arrest of Telegram chief executive Pavel Durov in France for failing to adequately moderate criminal activity on his messaging platform.

The Russia-born billionaire was arrested at the Paris-Le Bourget airport when he arrived in the country on his private jet from Azerbaijan on Saturday evening, according to French broadcaster TF1 and news agency AFP.

The deputy speaker of the state Duma, Vladislav Davankov, said he had called on Russian foreign minister

court yesterday. The Paris prosecutor's office confirmed there was an active investigation into Durov, but would not comment further.

The Russian embassy in France said it had requested consular access to Durov although there was no request from his representatives, according to Interfax.

A representative for Telegram and Durov declined to comment.

Founded in 2013, Telegram has gained prominence in recent years to become an important communications tool for global leaders and a resource for sharing news and organising in geopolitical crises such as the Russia-Ukraine war and the Israel-Hamas conflict.

With almost 1bn users, it is now one of the most popular messaging apps, rivaling Meta's WhatsApp.

Durov's positioning of Telegram as a privacy-orientated and censorship-resistant messaging platform has drawn scrutiny, with researchers warning that it has become a haven for criminals and hackers openly offering illicit services without repercussions.

His detention is likely to further increase global debate over the extent to which social media platforms and messaging apps should prioritise free speech or more tightly police the content they host, and whether executives should be held personally liable for lapses.

The news caused a backlash from free-speech proponents. "It's 2030 in Europe and you're being executed for liking a meme," Elon Musk, the billionaire owner of X and a self-declared free-speech absolutist, wrote on his social media site on Saturday.

Musk has clashed with EU and UK leaders over the perceived lax moderation of his platform, which police and analysts say was used with Telegram to organise and fuel the recent UK riots.

"The arrest could have political motives and be to obtain Telegram users' data. We must not allow this"

Sergei Lavrov to secure Durov's release. "The arrest of [Durov] could have political motives and be a means of obtaining the personal data of Telegram users. We must not allow this," he said on his Telegram channel.

Andrey Klishas, head of Russia's Federation Council Committee on Constitutional Law, described France's actions as a "fight for freedom of speech and European values" in a sarcastic post on his Telegram channel.

Durov had a warrant out for his arrest in France after authorities in the country began a preliminary investigation into whether a lack of moderation on the Dubai-based platform had facilitated illegal activity including terrorism, drug peddling, money laundering, fraud and child exploitation, according to reports. He was expected to appear in

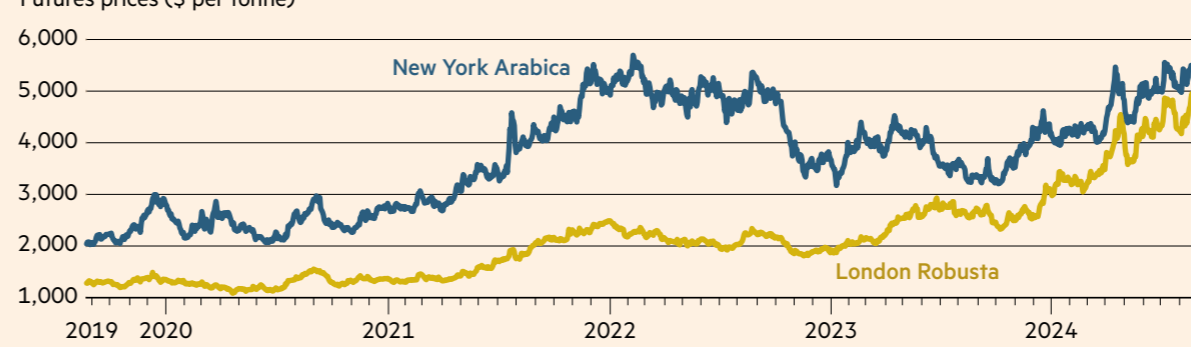
**Bitter taste** Soaring global coffee prices drive roasters to add lower cost beans in blends



Muhammad Fadil/Bloomberg

### Coffee prices soar

Futures prices (\$ per tonne)



NY price converted from price quoted in cents/lb  
Source: LSEG

SUSANNAH SAVAGE — LONDON

Global coffee prices have soared to record highs as adverse weather conditions disrupt crops, driving up costs for consumers and pushing roasters to add lower-cost beans to their blends.

Prices for both robusta beans, used in instant coffee, and the higher-quality arabica variety have surged in recent months. London robusta futures, the global benchmark, reached a record \$4,971 per tonne this week, while arabica futures traded in New York climbed to \$2.49 per pound, close to their highest in decades.

"Prices may not have reached their peak," said Steve Butler, co-founder of ChAI, a commodity price forecasting firm that uses artificial intelligence. He added that the rally has attracted speculators, who are likely to continue increasing their bets that prices will keep rising.

A recent cold snap in Brazil, which accounts for roughly a third of the world's coffee production — 70 per cent of which is arabica — has sparked fears of a supply shortage. Brazil's frosty weather follows months of

drought in Vietnam, the world's largest producer of robusta, pushing global supplies of the beans into their fourth consecutive year of shortage.

Rising shipping costs are also putting pressure on the market. Attacks by Houthi militants in the Red Sea since November have forced vessels travelling between Asia and Europe to take the longer route around the Cape of Good Hope instead of the Suez Canal.

Roasters are feeling the squeeze. Anna Manz, chief financial officer at Nestlé, told investors in July that "input costs from both coffee and cocoa" would put pressure on the food giant's profit margins for the next six months.

These costs are also being passed on to consumers. In Italy, café-goers can no longer enjoy their morning espresso for €1. The average price across the country's cities has risen 15 per cent since 2021 to €1.20 this year, according to consumer group Assoutenti.

Consumers may also notice a change in taste. When arabica prices were high, from mid-2021 until the start of 2023, and robusta supplies

were ample, roasters started to add more of the cheaper bean into their blends, said Charles Hart, senior commodities analyst at BMI, "which in turn saw inventories in Vietnam and Brazil drawn down and, thus, laid the groundwork for the increase in coffee prices in 2024".

Now, faced with escalating costs for both bean varieties, roasters are trying to protect their shrinking profit margins by sourcing arabica from cheaper producers, primarily Brazil, and by adding more lower-cost bean varieties to their blends.

Despite the upward pressure on prices, the coffee market is still "not as much of a wild west as the cocoa market earlier this year", said Butler.

Prices of the main ingredient used to make chocolate rose sharply, leading to extreme market swings as hedge funds and other speculators scrambled to exit losing bets.

While coffee has not so far seen similar volatility, high prices will lead to a "battle" between traders who took short positions at the end of June or early July, when the market dipped, and those who have bet prices will continue to rise, Butler added.

## Private equity weighs offers for Grant Thornton UK

SIMON FOY, ALEXANDRA HEAL  
AND IVAN LEVINGSTON — LONDON  
STEPHEN FOLEY — NEW YORK

Several private equity firms are considering offers for a stake in Grant Thornton's UK business, in a competitive bidding process aimed at securing a valuation of up to £1.5bn for the mid-tier accountant.

Carlyle, Blackstone, Permira, CVC Capital Partners and Bridgepoint are among buyout firms weighing potential offers for Grant Thornton UK ahead of a deadline in September for formal expressions of interest, according to people familiar with the situation.

London-based Cinven is also seen as a potential bidder by industry executives, while New Mountain Capital, which took a majority stake in Grant Thornton's US business earlier this year, is exploring an offer as part of a plan to merge the UK, Ireland and US operations, the Financial Times has reported.

The process, which is being run by Rothschild, is expected to value Grant Thornton UK between £1bn and £1.5bn.

A transaction would be "quite an important milestone because in the UK, in that area of the market which is the large, enterprise clients, there hasn't been a deal yet", said Richard Holden, a partner at investment bank Alnara.

People close to the matter said that interest was at an early stage and there was no guarantee of formal offers. New York-based KKR is not expected to make a bid, one person close to the firm said. Grant Thornton also shut down speculation that it would consider a deal excluding its audit practice, with one person close to the accountant saying the idea was "complete nonsense". A spokesperson added: "We are committed to remaining as a multidisciplinary firm."

UK regulations require audit firms to be majority owned by trained accountants, meaning that any private equity deal would be likely to involve ring-fencing Grant Thornton's audit practice.

The firm has in recent years moved away from auditing so-called "public interest entities", such as listed groups, banks and insurers that involve the highest level of regulatory scrutiny. As a result, Grant Thornton was demoted last year from the UK accounting watchdog's top tier of audit supervision.

Carlyle, CVC Capital Partners, Bridgepoint, Blackstone, Permira, Cinven and Rothschild declined to comment.

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Retail. Technology

## Walmart Mexico signals ecommerce ambitions

New chief of country's largest supermarket aims to use online background to double sales

CHRISTINE MURRAY — MEXICO CITY

The new boss of Walmart Mexico is planning an ambitious ecommerce push to try to double its sales in less than a decade as competitors nip at the heels of one of the biggest retail businesses in Latin America.

Ignacio Caride, who spent more than a decade at online retailer Mercado Libre — the region's answer to Amazon or Alibaba — said his April appointment as chief executive of Walmart de México y Centroamérica was a "statement" of where the company wanted to go.

Known as Walmex, the company is the largest foreign business of US retail giant Walmart and Mexico's largest supermarket chain with 230,000 employees and more than 3,000 shops.

"Walmex is changing, it's not a retailer any more... [or] it's not only that," the Argentine told the Financial Times in an interview. "Around that core business, which is very important, we are building a whole ecosystem."

He plans to transform the company into a seamless experience between physical stores and online shopping as well boost its ability to cross-sell other services such as healthcare and financial services. The goal is to double annual revenue to about 1.8tn pesos (\$93bn) by 2033.

The ecommerce opportunity is huge. Mexico, a middle-income country with a young population of almost 130mn, has one of the fastest-growing ecommerce sectors in the world.

It grew 25 per cent in 2023 to some 658bn pesos with penetration of just 13 per cent — half that of Brazil — according to BBVA.

But Amazon and Mercado Libre hold a 39 per cent and 18 per cent market share in Mexican ecommerce, respectively, ahead of Walmart's 11 per cent, according to Statista data from 2021.

Caride must turn a decades-old retailer with outdated IT into something that can compete with these nimbler, digital-native companies.

The battle between Mexico's retailers echoes those happening around the world, including in the US, as Walmart tries to integrate its website with its network of traditional stores and compete with the likes of Amazon.

Projects such as automating distribution centres or electronic shelf labels were starting to make more economic sense, Caride said.

Walmart's venture into Mexico in the early 1990s was its first outside the US. The group acquired local businesses to become the market leader and is listed on the local stock exchange. The business is still growing, with revenue up 8 per cent last year — but it also faces the prospect of increasing competition.

Rival retailer Chedraui will open 100 small-format stores this year. Walmex's discount business Aurrera is competing with Fensa's expanding Tiendas Bara and others such as Tiendas 3B, a hard-discount chain that listed on the New York Stock Exchange earlier this year.

Caride said he thought Walmex was less vulnerable than peers in Europe to hard discounting newer entrants such as Aldi and Lidl.

"We try to save every cent to translate it to the price... culturally we are set differently," he said, adding that all the

big retailers had room to grow by winning market share from Mexico's small-store, informal retail sector.

The process has not been entirely smooth, with the company now walking back a revamp it made of its Express smaller-format stores to reincorporate some of the higher-end products it had removed.

"Clearly we didn't do things how we would have liked... so we're redoing some of the changes to the offering."

Walmex now offers everything from healthcare clinics to a vast in-store advertising business and financial services. However, to cross-sell successfully it needs better data on who its customers are. More than half of them pay in cash and unlike some of its competitors it only offers credit cards through third parties.

Last month it began a push to ask customers for their mobile phone numbers at the checkout to encourage them to join a rewards system.

"Once we can identify them, we can start to measure how often they buy

online, how often they buy in the shop," he said. "The numbers aren't public, but I can tell you we're doing much better than we expected."

Its mobile phone service is now the country's fourth largest in a sector overwhelmingly dominated by billionaire Carlos Slim's América Móvil. The group is selling plans that rely on a government wholesale mobile network, but Caride said the business did not need to be super profitable because it was "mutually reinforcing" with its other areas.

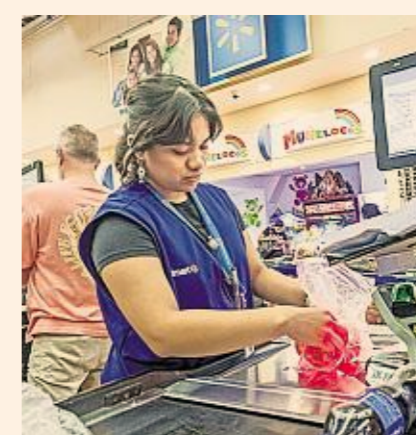
Caride is watching closely how some importers, particularly Chinese companies, circumvent paying import tax or VAT, an issue that has upset some of Mexico's business leaders.

"What worries us as a country and as a company that does things properly is that the rules of the game aren't the same for everyone," he said.

The landslide win by Mexico's president-elect Claudia Sheinbaum in June unnerved investors amid concerns over her party's plans to completely remake the judiciary, eliminate autonomous regulators and maintain state-dominance in the energy sector.

However, Caride dismissed political concerns as short-termist. He and other Walmart officials were among the first executives to meet Sheinbaum and they have offered to help with talks concerning the USMCA trade agreement between Mexico, Canada and the United States, which is due to be reviewed in 2026.

"We respect what the country decides... then as companies, we adapt to reality," he said. "You don't decide to stay, go or enter a country because of the president in turn to the one coming next, you do it for the long term."



Walmart Mexico aims to build an 'ecosystem' around its retail stores

## COMPANIES &amp; MARKETS

# Mining bosses wary of potential surge in M&A

Executives warn against industry overstretching itself by paying too much for assets amid prospect of dealmaking boom

HARRY DEMPSEY — LONDON

Mining bosses have warned against plunging into the M&A market and repeating mistakes of the past as forecasts mount that the industry is on the verge of a dealmaking boom.

Rio Tinto chief executive Jakob Stausholm was the most outspoken as he hinted at the experience of his predecessor Tom Albanese, who was ousted from the top job in 2013 after an ill-fated acquisition. Albanese was blamed for Rio's \$38bn deal for Canadian aluminium rival Alcan in 2007 that contributed to \$50bn in writedowns following the metal's tumble on the markets.

"A lot of deals were made between 2005 and 2012 and a lot of these turned out to be really bad," Stausholm told the Financial Times. "Now it feels like things are opening up a little bit . . . but from the Rio Tinto perspective, that's not that relevant: I have no fear of missing out."

Mark Bristow, the pugnacious South African chief executive of Barrick Gold, agreed, saying it could "happen fairly easily" that the industry overstretching itself again by paying too much for assets.

The debate over whether M&A is about to surge follows the boosting of balance sheets by the big groups in the past decade in an effort to restore returns after the 2015 commodity crash, potentially creating the firepower for deals.

The expected driver is a desire to snap up supplies of metals critical for clean energy, say investment bankers. Miners think these will be in short supply in the future, forcing up prices as demand outstrips supply. In this scenario, copper is forecast to be the most hotly pursued commodity as it is used in vast quantities in renewables, power grids and electric cars and will therefore be vital in the move to net zero.

Others think the fall in spending on developing new supplies of minerals because of the restricted availability of capital and the hit to profits from falling commodity prices is laying the groundwork for more dealmaking.

Michael Rawlinson, a former investment banker and now chair of London-listed silver and zinc miner Adriatic Metals, said this drop in spending could lead to supply shortages, prompting a rebound in prices and profits that in turn provided the ammunition for M&A.

He pointed to the bottom of the market in 2000, which coincided with the tech bubble when "low prices restricted supply, leading to price rises and an M&A frenzy and overspending on new projects in 2006-2011. Here we are in 2024 with possibly another tech bubble breaking, a backdrop of unrelenting demand growth for units, but nobody in the west has spent the money on projects to fill the gap," he added.

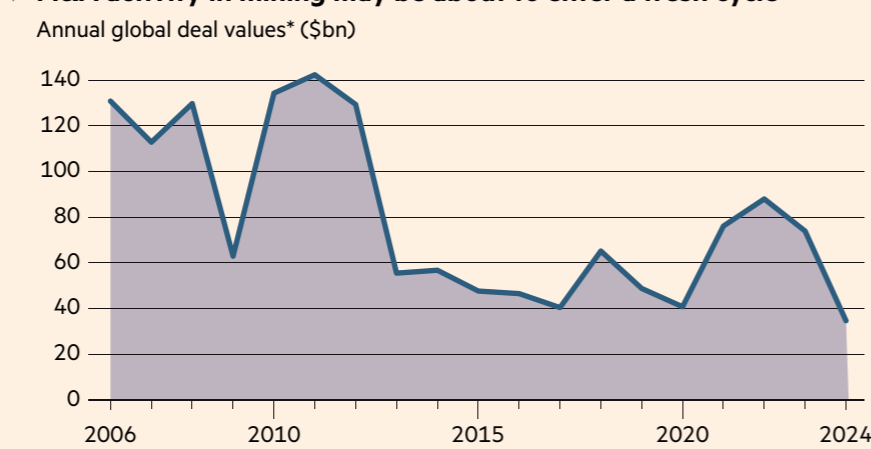
Some of the big players have already stepped into the M&A fray. Swiss commodity trader Glencore last month completed its acquisition of a majority stake in the coal assets of Canada's Teck Resources for \$6.9bn, while BHP swooped for Anglo American, although its £39bn bid collapsed in May.

In addition, BHP bought Filo Corp — a Canadian exploration company — for \$3bn last month, while Anglo is now breaking itself up by auctioning off its metallurgical coal mines in Queensland and its De Beers diamond subsidiary, as well as spinning off its platinum metals unit. Elsewhere, South Africa's Gold Fields paid \$1.6bn this month for rival

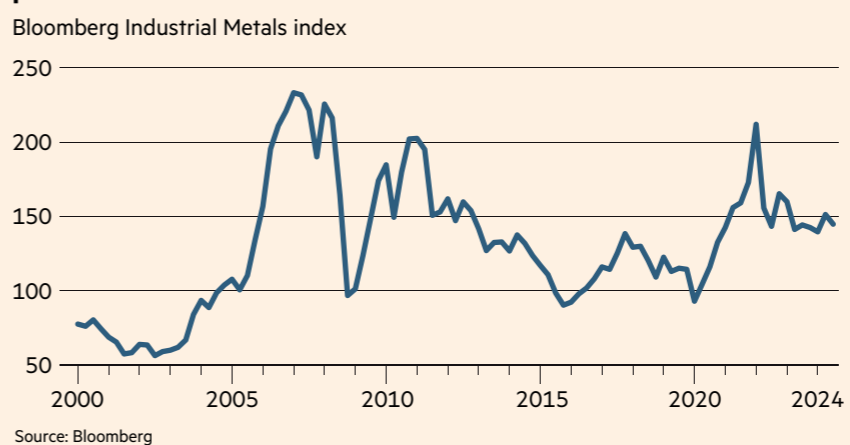


Rio Tinto's research centre in Serbia. The miner's chief executive Jakob Stausholm says he has no fear of missing out in an M&A boom — Oliver Bunick/Bloomberg

## M&A activity in mining may be about to enter a fresh cycle



## Dealmaking in mining tends to coincide with booming metal prices



gold producer Osisko Mining at a 55 per cent premium to the 20-day average of the share price before the deal.

However, others say predictions of a boom may be wide of the mark, pointing to the fall in deal count, which dropped to the lowest level in five years in the first half of 2024, according to research group BMI.

Sabrin Chowdhury, commodities analyst at BMI, said deals were tricky because of lower earnings off the back of falling metal prices and inflation. This made new mines more expensive to build and raised the cost of the assets.

Falling prices for commodities, such as iron ore, copper and aluminium, is likely to deter dealmaking rather than encourage it, according to some bankers. "If they're brave and ready to be countercyclical [buying despite a falling market], then it makes sense [to buy]," said one investment banker. "But the majors don't tend to be countercyclical. They nearly always go out and do their big stuff at the top of the cycle."

**'A lot of deals were made between 2005 and 2012 and a lot of these turned out to be really bad'**

Still, the expected demand for copper in the clean energy transition is prompting groups to scour the market for potential deals.

Even specialist miners, such as gold producers Newmont and Barrick Gold, want copper, fuelling speculation that the world's biggest producers, including the Canadian trio of Teck, First Quantum and Capstone Copper, are now the main targets for predators.

Competition for other commodities such as precious metals, iron ore and coal is expected to increase too, according to Farid Dadashev, head of Emea metals and mining at RBC, who sees "robust fundamentals for mining M&A in the next 12-18 months".

The positive reaction to deals from investors was likely to help fuel M&A, he added. "We expect to see boards increasingly regard M&A as an avenue to unlock future value."

Rebecca Campbell, who heads mining and metals at law firm White & Case, said she was seeing more work coming through for individual mines and strategic joint ventures rather than "the big sexy M&A".

One such sales process is for two of Canada-based Lundin Group's zinc and copper mines in Europe, which has garnered interest from Glencore, South32, Sandfire Resources, Grupo México, Zijin

### Leading the pack The big six miners with an appetite for deals

**BHP**  
Market Cap: \$135bn  
Ebitda/EV Multiple: 5.2  
Net debt: \$12.6bn  
Annual earnings 2023: \$12.9bn  
M&A history:  
- 2005 WMC for \$7.3bn  
- 2011 Petrohawk for \$12.1bn  
- 2022 Oz Minerals for \$6.4bn  
- 2024 Filo Corp for \$3bn  
Strategic considerations:  
- Unified dual corporate structure to enable M&A  
- Seeking copper, high-grade iron ore and potash growth  
- Attempted takeovers of Rio in 2007, PotashCorp in 2010 and Anglo in 2024

**RIO TINTO**  
Market Cap: \$105bn  
Ebitda/EV Multiple: 4.5  
Net debt: \$4.2bn  
Annual earnings 2023: \$10.1bn  
M&A history:  
- 2007 Alcan for \$44bn  
- 2011 Riversdale for \$3.7bn  
- 2021 Rincon for \$825mn  
- 2022 Turquoise Hill for \$3.3bn  
Strategic considerations:  
- Seeking copper and lithium growth

- CEO cautious on big M&A given historic track record  
- China's Chinalco owns 14.5% stake that in effect killed off a BHP takeover approach in 2008

**GLENCORE**  
Market Cap: \$64bn  
Ebitda/EV Multiple: 5.1  
Net debt: \$3.6bn  
Annual earnings 2023: \$4.3bn  
M&A history:  
- 2012 Xstrata for \$36bn  
- 2012 Viterra for \$6.1bn  
- 2023 77% of Teck's coal unit for \$6.9bn  
Strategic considerations:  
- Coal split called off, reducing need to cut debt and keeping big cash flows  
- Stock-based M&A seen to be harder because of lower multiple  
- Historically opted for M&A over building mines itself

**FREEPORT**  
Market Cap: \$62bn  
Ebitda/EV Multiple: 6.8  
Net debt: \$300mn  
Annual earnings 2023: \$1.8bn  
M&A history:  
- 2007 Phelps-Dodge for \$26bn  
- 2012 Plains Exploration & Production and McMoran Exploration for \$20bn  
Strategic considerations:  
- First new CEO in 21 years  
- Scarred by last round of mergers

- Pinning growth on new leaching technology  
- Key partner with Sumitomo

**ZIJIN MINING**  
Market Cap: \$56bn  
Ebitda/EV Multiple: 9.2  
Net debt: \$16.8bn  
Annual earnings 2023: \$2.9bn  
M&A history:  
- 2015 49.5% of Kamao for \$412mn  
- 2018 Nevsun for \$1.4bn  
- 2019 Continental Gold for \$1bn  
Strategic considerations:  
- Chinese state owns 24%  
- Aggressive dealmaker for smaller, earlier-stage operations  
- Geopolitics has become an obstacle for deals in places such as Canada and Australia

**VALE**  
Market Cap: \$46bn  
Ebitda/EV Multiple: 3.4  
Net debt: \$8.6bn  
Annual earnings 2023: \$8bn  
M&A history:  
- 2007 Inco for \$17bn  
Strategic considerations:  
- Vale Base Metals backed by deep-pocketed Saudis  
- Seeking growth in nickel and copper  
- Ongoing CEO succession challenge involving alleged Brazilian political interference

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## COMPANIES &amp; MARKETS

## Aerospace &amp; defence

## Nasa to use SpaceX for astronauts' return

Boeing Starliner ruled out for crewed mission after suffering technical issues

CLAIRE BUSHEY — CHICAGO

Nasa said on Saturday that it would use a spacecraft from billionaire Elon Musk's SpaceX rather than Boeing to bring home two astronauts stuck at the International Space Station.

Astronauts Sunita Williams and Barry "Butch" Wilmore, who were supposed to return to Earth two months ago, will now come back in February aboard a SpaceX Crew Dragon rather

than the Boeing CST-100 Starliner on which they had travelled to the space station after it subsequently suffered technical difficulties.

"Space flight is risky," said Nasa administrator Bill Nelson. "A test flight, by nature, is neither safe nor routine, and so the decision to keep Butch and Suni aboard the International Space Station and bring the Boeing Starliner home uncrewed is the result of a commitment to safety."

Nasa and Boeing engineers are now reconfiguring the Starliner in order for it to return to Earth next month without a crew. While Nasa officials said they still expected to use the spacecraft on crewed

missions, it is another blow to the reputation of a company that has been heavily scrutinised in recent years for engineering and manufacturing failures.

Mark Nappi, the manager at Boeing overseeing Starliner, told employees on Saturday that it was "not the decision we had hoped for, but we stand ready to carry out the actions necessary to support Nasa's decision. The focus remains first and foremost on ensuring the safety of the crew and spacecraft."

Boeing said it was continuing to focus "on the safety of the crew and spacecraft . . . and we are preparing the spacecraft for a safe and successful uncrewed return".

Boeing and SpaceX are part of Nasa's commercial crew programme, which was developed to encourage private sector suppliers to compete to ferry astronauts to the space station. SpaceX launched its first successful crewed mission in 2020.

When Williams and Wilmore blasted off aboard the Starliner on June 5, the capsule already was billions of dollars over budget and had experienced delays on earlier planned launches.

The mission to test the capabilities of the new spacecraft was scheduled to last eight days. But it suffered a helium leak and five of its thrusters functioned improperly, causing engineers and

scientists at Nasa and Boeing to run tests to determine whether Starliner was the safest option to shuttle the astronauts back to Earth.

There was ultimately "too much uncertainty" around thrusters potentially failing during a tight piloting sequence, said Steve Stich, manager for Nasa's commercial crew programme. "It was just too much risk," he said.

Boeing and Nasa viewed the uncertainty of the data differently, said Nasa associate administrator Jim Free. Nasa colleague Ken Bowersox said there were "tense discussions because the call was close", adding the agency was "committed to continuing to work with Boeing".

## Healthcare

## Siemens Healthineers in €200mn Novartis deal

OLIVER BARNES — NEW YORK  
PATRICIA NILSSON — FRANKFURT

Siemens Healthineers has agreed to buy part of a Novartis business that specialises in producing radioactive chemicals used for cancer scans, in a further boost to the healthcare group's biggest line of business.

The German group will pay more than €200mn for the diagnostic arm of Advanced Accelerator Applications, according to two people briefed on the deal. The companies separately confirmed the transaction.

AAA, which was bought by Switzerland-based Novartis in 2017, operates Europe's second-largest network of cyclotrons. These are used to manufacture the radioactive compounds that allow cancer, heart disease and neurological disorders to be detected on positron emission tomography scans.

Siemens Healthineers, which was spun out of parent company Siemens in 2017, said the deal would allow its US-based PET radiopharmaceuticals business — the world's largest — to expand into Europe.

The transaction is expected to close in the last quarter of the year, pending regulatory approval and negotiations with Novartis's works council. Novartis put AAA's diagnostics division up for sale last year in an effort to divest low-growth parts of its business.

Compared with other types of medical techniques such as magnetic resonance

The deal secures a supply of critical radioactive materials, people briefed on the details said

imaging, PET scans tend to be more expensive and capacity is more limited in state-run European health systems. But they are becoming a standard tool to diagnose certain cancer types.

The scans are typically used to detect solid tumours, such as lung, breast and cervical cancer. They are also used to discover where cancer has spread in the body and to monitor how patients are responding to treatment.

Selling imaging equipment is the biggest part of Siemens Healthineers' business, and the deal secures a supply of critical radioactive materials, the people briefed on the details said. Siemens Healthineers' imaging division generated nearly €3bn in sales, more than half of quarterly group revenues, in the three months to the end of June this year. Its market value was €58bn at the close of trading on Friday.

The company said it was important to produce the materials near patients because the radioactive compounds have a short half-life and need to be used on the day they are manufactured.

PET scan capacity more than doubled in at least a dozen European countries between 2010 and 2020, according to data from the European Commission, pushing up demand for the radioactive compounds manufactured by AAA.

Novartis bought AAA for \$3.9bn to access radiopharma drugs being developed by the French biotech. AAA's lead drug Lutathera was approved for use to treat neuroendocrine tumours in 2018 and analyst consensus estimates expect it to generate \$704mn in sales this year.

Market questions. Week ahead

## Fed's preferred inflation measure set to edge higher

Will the Fed's preferred inflation measure edge higher?

The Federal Reserve's preferred inflation metric is expected to show a slight tick up in price pressures in July, which could help convince the US central bank to shy away from delivering a larger than usual half-point cut in interest rates when it meets next month.

On Friday, the Bureau of Economic Analysis will release the personal consumption expenditures index data for July, which economists surveyed by Reuters forecast will show the headline figure at 2.7 per cent year on year, up from 2.6 per cent the month before. The core measure, which strips out the volatile food and energy sectors and is most closely watched by the Fed, is expected to be 2.6 per cent, a step up from the 2.5 per cent rate in June.

The PCE data will follow positive consumer price data earlier this month, which showed inflation at 2.9 per cent in July, below economists' expectations and under 3 per cent for the first time since March 2021.

Even if the numbers do show a marginal tick up in PCE last month, the broader slowdown in inflation this year and evidence that the US labour market has been weakening is likely to keep the Fed on track to cut interest rates when it meets in September. Fed chair Jay Powell said on Friday "the time has come for policy to adjust", his clearest signal yet that the central bank is primed to lower borrowing costs.

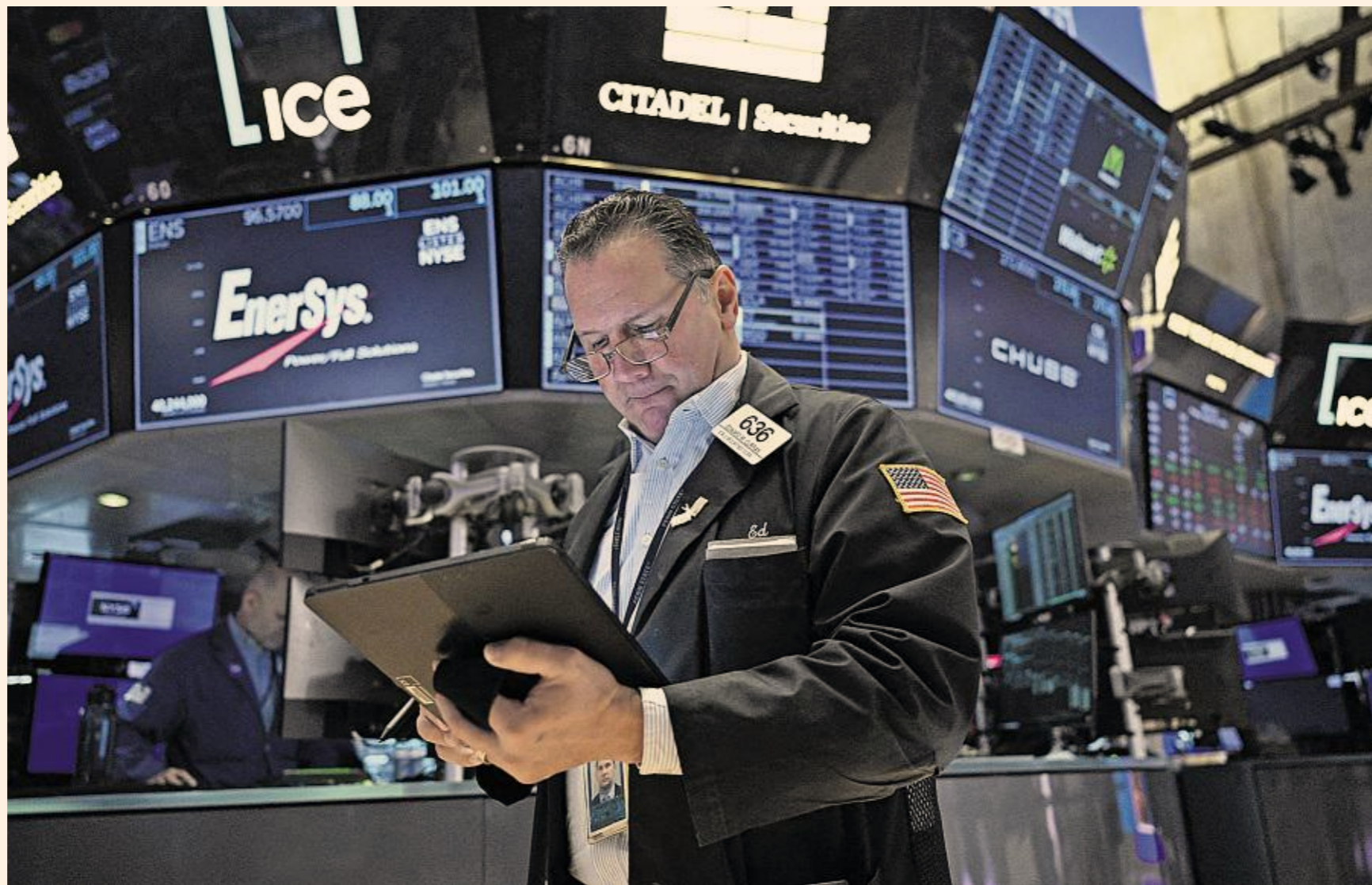
Traders in the futures market are currently betting on at least a quarter-point rate cut, and are pricing in a roughly one in three possibility the Fed may cut by as much as 0.5 percentage points.

"A little bit of a wiggle on inflation is not as important as what is going on in the labour market. The important trend is that inflation is coming down more broadly," said Eric Winograd, senior economist for fixed income at Alliance-Bernstein. *Kate Duguid*

Will Eurozone inflation resume its decline?

Eurozone inflation has been volatile this year and has not yet fallen to the European Central Bank's target of 2 per cent after accelerating in May and July, but traders are hopeful August will deliver the lowest annual inflation rate since 2021.

Economists polled by LSEG forecast the headline rate will drop to 2.3 per cent in August when figures are



US traders are betting on at least a quarter-point cut in interest rates despite 'a little bit of a wiggle' on inflation  
*Angela Weiss/AFP/Getty Images*

published on Thursday, down from 2.6 per cent in July.

Investors will be looking to see improvements in core components — which strip out volatile food and energy prices — for signs that persistent price pressures are easing. Analysts at Pantheon Macroeconomics forecast the core inflation rate will ease to 2.8 per cent from 2.9 per cent in July, with services inflation more sticky at 4 per cent.

Claus Vistesen, chief Eurozone economist at Pantheon Macroeconomics, said there were "upside risks" to both headline and core inflation towards the end of the year. "The former will be pulled up by energy inflation and a small rise in food, alcohol and tobacco, while core inflation likely will be held around 3 per cent, due to an advance in non-energy goods inflation," he said.

Still, the European Central Bank will be encouraged by a sharp fall in pay growth in the Eurozone. Pay rose 3.6 per cent in the second quarter compared

with the same period last year, down from the 4.7 per cent annual growth rate in the previous three-month period.

Traders in swaps markets have fully priced a September quarter-point rate cut from the ECB, with one or two more expected by the end of the year.

*Mary McDougall*

Will the renminbi continue to strengthen against the dollar?

After fervent speculation about devaluation earlier in the year, the renminbi has strengthened significantly against the dollar in the past few weeks. Some analysts think the move could have further to run.

The Chinese currency has risen 1.6 per cent in the past 30 days, to just under 7.14 to the dollar. The easing of depreciation pressure has led the Chinese central bank to adopt a less interventionist approach to its daily fixings of the currency.

One reason for this is the smaller

'The time has come for policy to adjust'

Jay Powell,  
Fed chair

spread between US and Chinese sovereign bond yields. Growing expectations that the US Fed will cut rates in September has benefited Asian currencies including the renminbi, Malaysian Ringgit and Indonesian Rupiah.

The unwinding of a carry trade, in which traders borrow in renminbi to buy higher yielding assets, similar to the dollar-yen trade that reverberated around global markets at the start of the month, has also lifted the currency.

Meanwhile Kamala Harris's improving odds of taking the US presidency in November have given rise to hopes of a relatively less confrontational relationship with Washington compared with a second Trump administration, which "could be a further catalyst for upside" according to analysts at ING Economics.

Their baseline scenario is that the currency strengthens further to 7.10 to the dollar by the end of the year.

*Arjun Neil Alim  
Raghuram Rajan See Opinion*

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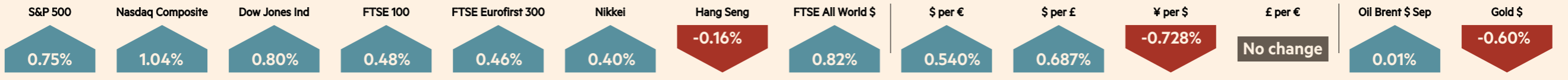


MARKET DATA

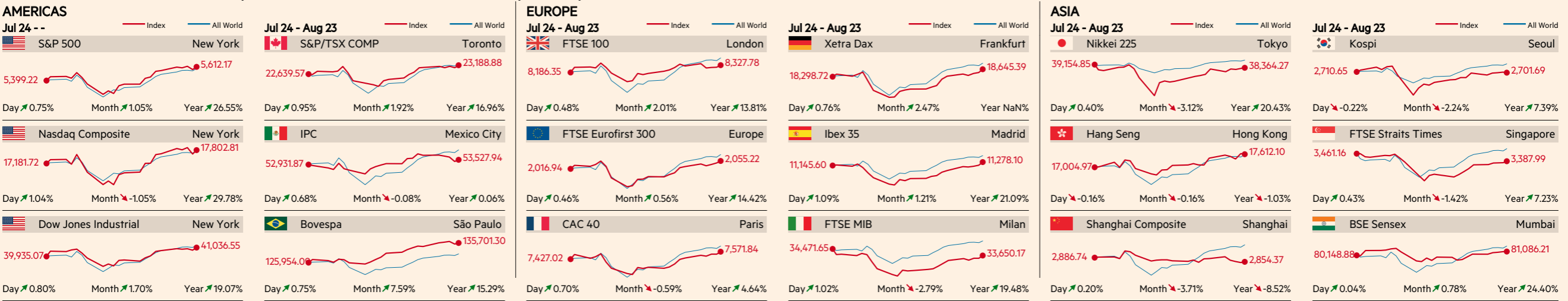
WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)



Stock market movements over last 24 days, with the FTSE All-World in the same currency as a comparison



Country	Index	Latest	Previous	Country	Index	Latest	Previous	Country	Index	Latest	Previous	Country	Index	Latest	Previous
Argentina	Merval	1553961.84	157419.84	Cyprus	CSE M&P Gen	68.46	68.88	Italy	FTSE Italia All-Share	3535.78	35468.12	Philippines	Manila Comp	6961.96	6900.62
Australia	All Ordinaries	8248.10	8258.10	Czech Republic	FX	1579.01	1581.29	Poland	Wig	84336.73	84170.37	Poland	Wig	84336.73	84170.37
Austria	ATX	3699.30	3653.99	Denmark	OMXC20 Copenhagen 20	2744.85	2740.88	Portugal	PSI 20	6680.98	6645.03	Romania	BEL Index	18431.63	18427.10
Brazil	Ibovespa	136190.73	135173.92	Estonia	EXX 30	2914.29	2915.24	Russia	Micex Index	2436.57	2445.30	Russia	RTX	1245.71	1217.57
Canada	S&P/TSX 60	1932.79	1930.44	Finland	OMX Helsinki General	1075.54	1003.36	Saudi Arabia	Tadawul All Share Indx	12194.63	12169.84	Singapore	FTSE Straits Times	3387.59	3373.58
Chile	S&P/TSX M&P Gen	36362.22	36207.34	France	CAC 40	7524.11	7524.11	Slovakia	SAX	302.43	301.18	Slovenia	SBI TOP	899.35	907.90
China	FTSE A200	8919.80	8919.80	Germany	M-DAX	25196.58	24987.01	South Africa	JSE Top 40	2737.16	2737.16	South Africa	JSE Top 40	2737.16	2737.16
Hong Kong	Hang Seng	17612.10	17641.00	Hungary	BUX	7249.84	7239.25	Sweden	OMX Stockholm 30	2569.27	2541.10	Switzerland	SMI Index	12347.46	12305.45
India	Sensex	75917.50	75917.50	Indonesia	Jakarta Comp	7544.30	7488.88	Taiwan	TSEI	12162.10	11156.30	Taiwan	Weighted FT	18915.54	18942.30
Japan	Nikkei 225	36929.88	36929.88	Indonesia	ISEQ Overall	9559.00	9480.85	Thailand	Bangkok SET	1354.87	1341.03	Thailand	Bangkok SET	1354.87	1341.03
Korea	KOSPI	2717.17	2717.17	Israel	TASEX All Share	2029.03	2032.71	Turkey	BIST 100	9785.14	9821.40	Turkey	BIST 100	9785.14	9821.40
Malaysia	FTSE Bursa KLCI	1635.74	1641.66	Malaysia	FTSE Bursa KLCI	1635.74	1641.66	UK	FTSE 100	8232.53	8251.11	UK	FTSE 100	8232.53	8251.11
Mexico	IPC	5327.94	5327.94	Mexico	IPC	5327.94	5327.94	USA	DJ Industrial	41036.55	40712.78	USA	DJ Industrial	41036.55	40712.78
Netherlands	AEX	588.56	588.56	Netherlands	AEX	588.56	588.56	USA	DJ Int'l	10130.90	10084.84	USA	DJ Int'l	10130.90	10084.84
New Zealand	NZX 50	12529.99	12485.35	New Zealand	NZX 50	12529.99	12485.35	USA	DJ MidCap	19643.69	19491.84	USA	DJ MidCap	19643.69	19491.84
Norway	Oslo All Share	1654.55	1643.59	Norway	Oslo All Share	1654.55	1643.59	USA	DJ SmallCap	17802.81	17619.35	USA	DJ SmallCap	17802.81	17619.35
Pakistan	KSE 100	78901.43	78793.41	Pakistan	KSE 100	78901.43	78793.41	USA	DJ Tech	15928.41	15761.94	USA	DJ Tech	15928.41	15761.94
Peru	IPC	1842.30	1842.30	Peru	IPC	1842.30	1842.30	USA	DJ Volatility	148.40	148.40	USA	DJ Volatility	148.40	148.40
Poland	WIG	84336.73	84170.37	Poland	WIG	84336.73	84170.37	USA	DJ VIX	28.82	28.82	USA	DJ VIX	28.82	28.82
Portugal	PSI 20	6680.98	6645.03	Portugal	PSI 20	6680.98	6645.03	USA	DJ World	10130.90	10084.84	USA	DJ World	10130.90	10084.84
Romania	BEL Index	18431.63	18427.10	Romania	BEL Index	18431.63	18427.10	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Russia	Micex Index	2436.57	2445.30	Russia	Micex Index	2436.57	2445.30	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Saudi Arabia	Tadawul All Share Indx	12194.63	12169.84	Saudi Arabia	Tadawul All Share Indx	12194.63	12169.84	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Singapore	FTSE Straits Times	3387.59	3373.58	Singapore	FTSE Straits Times	3387.59	3373.58	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Slovakia	SAX	302.43	301.18	Slovakia	SAX	302.43	301.18	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Slovenia	SBI TOP	899.35	907.90	Slovenia	SBI TOP	899.35	907.90	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
South Africa	JSE Top 40	2737.16	2737.16	South Africa	JSE Top 40	2737.16	2737.16	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
South Africa	JSE Top 40	2737.16	2737.16	South Africa	JSE Top 40	2737.16	2737.16	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Sweden	OMX Stockholm 30	2569.27	2541.10	Sweden	OMX Stockholm 30	2569.27	2541.10	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Switzerland	SMI Index	12347.46	12305.45	Switzerland	SMI Index	12347.46	12305.45	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Taiwan	TSEI	12162.10	11156.30	Taiwan	TSEI	12162.10	11156.30	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Thailand	Bangkok SET	1354.87	1341.03	Thailand	Bangkok SET	1354.87	1341.03	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
Turkey	BIST 100	9785.14	9821.40	Turkey	BIST 100	9785.14	9821.40	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
UK	FTSE 100	8232.53	8251.11	UK	FTSE 100	8232.53	8251.11	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ Industrial	41036.55	40712.78	USA	DJ Industrial	41036.55	40712.78	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ Int'l	10130.90	10084.84	USA	DJ Int'l	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ MidCap	19643.69	19491.84	USA	DJ MidCap	19643.69	19491.84	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ SmallCap	17802.81	17619.35	USA	DJ SmallCap	17802.81	17619.35	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ Tech	15928.41	15761.94	USA	DJ Tech	15928.41	15761.94	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ Volatility	148.40	148.40	USA	DJ Volatility	148.40	148.40	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ World	10130.90	10084.84	USA	DJ World	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84
USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84	USA	DJ World Excl. US	10130.90	10084.84

STOCK MARKET: BIGGEST MOVERS

AMERICA	ACTIVE STOCKS	stock	close	price	change	Day's %	ACTIVE STOCKS	stock	close	price	change	Day's %	ACTIVE STOCKS	stock	close	price	change	Day's %
Nvidia	459.0	425.00	425.00	425.00	0.00	0.00%	Nvidia	459.0	425.00	425.00	0.00	0.00%	Nvidia	459.0	425.00	425.00	0.00	0.00%
Meta	459.0	217.83	217.83	217.83	0.00	0.00%	Meta	459.0	217.83	217.83	0.00	0.00%	Meta	459.0	217.83	217.83	0.00	0.00%
Apple	35.2	225.82	225.82	225.82	0.00	0.00%	Apple	35.2	225.82	225.82	0.00	0.00%	Apple	35.2	225.82	225.82	0.00	0.00%
Advanced Micro Devices	30.4	153.23	153.23	153.23	0.00	0.00%	Advanced Micro Devices	30.4	153.23	153.23	0.00	0.00%	Advanced Micro Devices	30.4	153.23	153.23	0.00	0.00%
Microsoft	29.1	414.89	414.89	414.89	0.00	0.00%	Microsoft	29.1	414.89	414.89	0.00	0.00%	Microsoft	29.1	414.89	414.89	0.00	0.00%
Amazon	28.1	179.59	179.59	179.59	0.00	0.00%	Amazon	28.1	179.59	179.59	0.00	0.00%	Amazon	28.1	179.59	179.59	0.00	0.00%
Alphabet	23.6	176.69	176.69	176.69	0.00	0.00%	Alphabet	23.6	176.69	176.69	0.00	0.00%	Alphabet	23.6	176.69	176.69	0.00	0.00%
Super Micro Computer	22.3	616.32	616.32	616.32	0.00	0.00%	Super Micro Computer	22.3	616.32	616.32	0.00	0.00%	Super Micro Computer	22.3	616.32	616.32	0.00	0.00%
Broadcom	12.3	164.74	164.74	164.74	0.00	0.00%	Broadcom	12.3	164.74	164.74	0.00	0.00%	Broadcom	12.3	164.74	164.74	0.00	0.00%
Microchip Technology	12.1	102.39	102.39	102.39	0.00	0.00%	Microchip Technology	12.1	102.39	102.39	0.00	0.00%	Microchip Technology	12.1	102.39	102.39	0.00	0.00%

UK MARKET WINNERS AND LOSERS

FTSE 100	Aug 23	Aug 22	%Chg	Aug 23	Aug 22	%Chg	FTSE 250	Aug 23	Aug 22	%Chg	FTSE Smallcap	Aug 23	Aug 22	%Chg	
Woolwich	149.25	117.7	27.2%	Woolwich	149.25	117.7	27.2%	Woolwich	149.25	117.7	27.2%	Woolwich	149.25	117.7	27.2%
Rightmove	560.50	54.2	9.2%	Rightmove	560.50	54.2	9.2%	Rightmove	560.50	54.2	9.2%	Rightmove	560.50	54.2	9.2%
Int Consolidated Airlines S.A.	197.50	5.7	15.7%	Int Consolidated Airlines S.A.	197.50	5.7	15.7%	Int Consolidated Airlines S.A.	197.50	5.7	15.7%	Int Consolidated Airlines S.A.	197.50	5.7	15.7%
Next	10215.00	4.1	25.7%	Next	10215.00	4.1	25.7%	Next	10215.00	4.1	25.7%	Next	10215.00	4.1	25.7%
Barbary	715.00	4.1	49.6%	Barbary	715.00	4.1	49.6%	Barbary	715.00	4.1	49.6%	Barbary	715.00	4.1	49.6%
Freemove	853.00	-2.8	18.1%	Freemove	853.00	-2.8	18.1%	Freemove	853.00	-2.8	18.1%	Freemove	853.00	-2.8	18.1%
Howden Joinery	942.50	3.9	15.0%	Howden Joinery	942.50	3.9	15.0%	Howden Joinery	942.50	3.9	15.0%	Howden Joinery	942.50	3.9	15.0%
Vistry	1395.00	3.8	52.0%	Vistry	1395.00	3.8	52.0%	Vistry							



MANAGED FUNDS SERVICE

SUMMARY FT.COM/FUNDS

Winners - Europe ex-UK Equity						Losers - Europe ex-UK Equity						Morningstar Star Ratings				Global Broad Category Group - Commodities					
Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev	Fund Name	1yr Return GBP	3yr Return GBP	5yr Return GBP	3yr Sharpe Ratio	3yr Std Dev	Fund Name	Base Currency	Morningstar Rating 3 Yr	Morningstar Rating 5 Yr	Morningstar Rating 10 Yr	Morningstar Category	Base Currency	Total Ret 1Yr GBP	Total Ret 3Yr GBP	Total Ret 5Yr GBP
Waverton European Dividend Growth Fund	23.05	12.91	11.14	0.90	13.39	Bahic/Cher/James/Sun/Total/US/Global/China/Equity Fund	13.17	-11.93	4.51	-0.36	25.78	RAM Tactical II Asia Bond Total Return	US Dollar	★★★★	★★★★	★★★★	Commodities - Energy	Baht	-25.94	27.66	-3.13
ME/Lux/Invest/17/18/US/Equity/18/19/10	19.04	11.43	-	0.88	12.76	Logan/Kane/Neil/Sainsbury/Equity Fund	7.21	-9.96	3.03	-0.42	20.30	Multi-Asset Allocated Strategic Fund Y-ACC-GBP	Pound Sterling	★★★★	★★★★	★★★★	Commodities - Grains	US Dollar	10.60	24.41	8.04
WS Arthur Continental European Fund	8.74	11.28	11.01	0.70	16.69	Lowndes Sustainable Future Europe Growth Fund	13.48	-6.97	4.13	-0.22	21.10	Allocator World Fund Y-ACC-GBP	Pound Sterling	★★★★	★★★★	★★★★	Commodities - Energy	US Dollar	-11.68	10.95	-1.50
Artemis SmartGARP European Equity Fund	20.59	10.28	9.36	0.69	16.39	Schroder European Alpha Plus Fund	-1.14	-5.12	0.26	-0.24	16.55	DWS Invest Top Dividend	Pound Sterling	★★★★	★★★★	★★★★	Commodities Precious Metals	Baht	25.47	8.93	9.21
Waverton European Capital Growth Fund	17.01	8.96	10.39	0.66	14.58	FTI Martin Currie European Uncorrelated Fund	11.39	-4.88	6.18	-0.14	23.72	Multi-Asset Allocated Defensive Fund Y-ACC-GBP	Pound Sterling	★★★	★★★	★★★	Commodities - Energy	US Dollar	19.60	7.73	1.43

## ASSET MANAGEMENT

Aug 2021 - Aug 2024  
Trojan Ethical 0 Acc

Day  $\downarrow$  -0.16%    Month  $\uparrow$  0.83%    Year  $\uparrow$  9.48%

3Yr Rating: ★★★★★

Morningstar Sustainability Rating: -

Bid Price: -    KIID Ongoing Charge: 1.02

Offer Price: -    Day-Cat One Year Return: 7.75

+/-: -0.22    Total Ret 3Yr: 2.50

## Performance

Aug 2021 - Aug 2024  
Trojan Ethical 0 Acc

Day  $\downarrow$  -0.16%    Month  $\uparrow$  0.83%    Year  $\uparrow$  9.48%

## Weightings - As of 30/06/2024

Sector	Weighting	Cat Avg.
Basic Materials	-	3.17%
Communication Services	3.34%	3.13%
Consumer Cyclical	-	5.38%
Consumer Defensive	9.17%	4.10%
Energy	-	3.11%
Financial Services	7.93%	8.47%
Healthcare	1.11%	5.52%
Industrials	1.86%	6.26%
Real Estate	-	2.38%
Technology	4.15%	7.64%
Utilities	-	1.87%
Cash & Equivalents	13.83%	14.50%
Corporate	-	11.16%
Derivative	0.20%	3.36%
Government	58.40%	18.15%
Municipal	-	0.00%
Securitized	-	0.79%

## Risk Measures - As of 31/07/2024

Metric	1Yr	1Yr Cat Ave	3Yr	3Yr Cat Ave	5Yr	5Yr Cat Ave
Alpha	1.15	-2.84	-0.39	-2.55	2.23	-1.48
Beta	0.23	0.91	0.39	0.85	0.43	0.90
Information Ratio	-0.55	-0.74	-0.04	-0.45	0.20	-0.35
R Squared	29.82%	63.15%	46.09%	58.99%	42.88%	61.23%
Sharpe Ratio	0.88	-2.51	-0.10	-0.18	0.62	0.19
Std Dev	2.67	8.02	4.34	8.29	5.06	8.74

## Top 10 Holdings - As of 30/06/2024

Holder	Sector	Weighting
Unilever PLC	Consumer Defensive	3.52%
Nestle SA	Consumer Defensive	3.33%
Visa Inc Class A	Financial Services	3.05%
Alphabet Inc Class A	Communication Services	2.95%
Microsoft Corp	Technology	2.46%
Experian PLC	Industrials	1.64%
American Express Co	Financial Services	1.40%
Procter & Gamble Co	Consumer Defensive	1.24%
Chubb Ltd	Financial Services	1.00%
Agilent Technologies Inc	Healthcare	0.98%

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Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr	Fund	Bid	Offer	+/-	Yield	1Yr	3Yr
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## Algebris Investments (IRL)

Algebris Core Italy I EUR	€155.09	-0.46	0.00	4.59	-0.91
Algebris Core Italy R EUR	€145.35	-0.43	0.00	3.81	-1.49
Algebris Financial Credit I EUR	€205.80	-0.08	0.00	16.28	2.01
Algebris Financial Credit R EUR	€175.32	-0.06	0.00	15.72	1.40
Algebris Financial Credit Rd EUR	€96.35	-0.03	0.08	16.98	1.46
Algebris Financial Equity B EUR	€234.62	-1.02	0.00	33.80	19.48
Algebris Financial Equity R EUR	€193.97	-0.84	0.00	32.48	18.19
Algebris Financial Income I EUR	€228.59	-0.51	-	23.24	8.96
Algebris Financial Income R EUR	€204.84	-0.46	-	22.15	7.99
Algebris Financial Income Rd EUR	€114.75	-0.25	-	22.14	7.98
Algebris Global Credit Opportunities I EUR	€146.36	-0.12	-	11.42	4.06
Algebris Global Credit Opportunities R EUR	€141.90	-0.11	-	10.95	3.58
Algebris IG Financial Credit I EUR	€115.48	-0.08	-	11.11	3.66
Algebris IG Financial Credit R EUR	€111.57	-0.19	0.00	13.92	-0.28
Algebris IG Financial Credit Rd EUR	€108.91	-0.19	0.00	13.34	-0.78
Algebris Sust. World B	€127.93	-0.39	0.00	18.82	-
Algebris Sust. World R	€124.92	-0.38	0.00	17.30	-

## Blue Whale Investment Funds ICAV (IRE)

www.bluewhaleinvestments.co.uk

FCIA Recognised - Ireland UCITS

Blue Whale Growth USD T	€13.51	-0.24	-	30.47	1.65
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## Candriam Investors Group Other International Funds

Candriam Bds Euro Sh.Term Cap	€2098.81	-0.84	0.00	4.73	0.36
Candriam Bonds Credit Opportunities	€210.53	-0.10	0.00	5.24	1.21
Candriam Bonds Emerg Mkt.-C.Cap	€2742.53	-4.28	0.00	19.39	-0.18
Candriam Equities L Europ Opti+Cap	€219.71	-1.24	0.00	4.15	-2.13
Candriam Equities L Global Damp+Cap	€313.14	-1.21	0.00	19.89	6.15
Candriam Equities L Inco Imp+Cap	€3094.63	-6.46	0.00	21.41	2.07
Candriam Equities L Robb+Inco Tech+Cap	€489.49	-79.51	0.00	25.54	3.80

## Dragon Capital

www.dragoncapital.com

FCIA Recognised

Dragon Capital Growth USD T	€13.51	-0.24	-	30.47	1.65
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## Cantab Asset Management Ltd (UK)

www.cantabam.com

FCIA Recognised

VT Cantab Balanced A GBP Acc	€1.14	-0.00	1.48	11.42	-2.78
VT Cantab Moderate A GBP Acc	€1.16	-0.00	1.75	11.37	-2.20
VT Cantab Sustainable Glob Eq A GBP Acc	€1.43	-0.00	1.54	14.25	7.40

## The Antares European Fund Limited Other International

AET Ltd Usd	\$541.01	-13.82	0.00	-2.21	-1.36
AET Ltd Eur	€498.45	-0.25	0.00	-1.56	-1.84

## Brooks Macdonald International Fund Managers Limited (JER)

Third Floor, No 1 Grenville Street, St Helier, Jersey, JE2 4JF

+44 (0) 1534 700 104 (Int.) +44 (0) 800 735 8000 (UK)

### Brooks Macdonald International Investment Funds Limited

Euro High Income	€1,248.9	-0.003	2.50	6.31	-3.78
High Income	€0,666.2	-0.008	3.77	11.49	-3.54
Sterling Bond	€1,296.9	-0.007	2.06	10.93	-3.50

### Brooks Macdonald International Multi Strategy Fund Limited

Cautious Balanced Strategy A	€1,326.5	-0.010	1.00	10.09	-1.01
Cautious Balanced Strategy B	€0,947.2	-0.007	1.87	10.65	-0.51
Balanced Strategy A	€1,011.9	-0.004	0.85	12.92	1.06
Growth Strategy A	€2,198.0	-0.019	0.00	15.29	1.47
Growth Strategy B	€1,049.4	-0.008	0.58	15.88	1.99
High Growth Strategy A	€3,108.9	-0.008	0.00	15.99	1.41
High Growth Strategy B	€1,059.0	-0.013	-	16.55	1.92
US Growth Strategy	€2,082.5	-0.003	0.00	18.24	-0.67

Dealing Daily. Initial Charge Nil for A-classes and up to 2% for other classes

## Artemis Fund Managers Ltd (1200)F (UK)

57 St. James's Street, London SW1A 1LD 0800 092 2051

### Authorised Inv Funds

Artemis Corporate Bond I Acc	2879.23	-11.24	3.20	24.46	11.04
Artemis European Select I Acc	109.43	-0.11	5.07	13.08	-1.95
Artemis Global Income I Inc	566.50	-1.79	2.82	21.50	11.11
Artemis Global Select I Acc	154.29	-0.47	1.66	18.55	3.37
Artemis High Income I Q Inc	199.07	-0.62	-	19.43	6.35
Artemis Income I Inc	452.10	-0.80	2.48	20.25	6.97
Artemis Monthly Dist I Inc	133.08	-0.37	3.05	30.13	11.28
Artemis Positive Future Fund	189.39	-0.89	0.55	15.80	2.65
Artemis Short-Dn Strat Bond	119.61	-0.08	4.63	11.70	2.93
Artemis SmartGARP Eur Eq Acc	73.13	-0.01	5.78	15.70	2.51
Artemis SmartGARP Gldm Eq Acc	288.02	-0.60	3.46	24.74	8.60
Artemis SmartGARP Gldm Eq I Acc	77.39	-0.03	4.36	20.21	5.49
Artemis SmartGARP UK Eq Acc	64.33	-0.14	0.00	1.60	-14.13
Artemis Strategic Assets I Acc	101.39	-0.21	1.58	1.61	5.14
Artemis Strategic Bond I Acc	113.90	-0.15	4.52	13.36	0.19
Artemis UK Select Fund Class A	1017.10	-1.74	2.13	30.03	8.05
Artemis UK Smaller Cos I Acc	2565.93	-3.08	2.05	30.49	3.65
Artemis UK Special Sits I Acc	936.06	-2.53	2.03	21.98	4.12
Artemis US Extended Alpha I Acc	436.45	-1.87	0.00	24.35	10.65
Artemis US Select I Acc	399.03	-1.26	0.00	27.40	8.46
Artemis US Smr Cos I Acc	367.08	-0.49	0.00	21.91	0.62

## Brown Advisory (UK)

Thoughtful Investing.

### Brown Advisory Funds plc

www.brownavisory.com

FCIA Recognised

Global Leaders Fund USD C	€28.01	-0.12	0.00	25.83	6.03
Global Leaders Sustainable Fund USD C	€16.75	-0.08	0.00	24.81	5.00
Global Sustainable Total Return Bond GBP B	€9.70	-0.03	0.00	2.60	7.28
Global Sustainable Total Return Bond USD B	€10.32	-0.03	0.00	0.72	-
US Equity Growth Fund USD B	€64.59	-0.68	-	24.38	-0.45
US Flexible Equity Fund USD B	€33.82	-0.19	-	28.59	8.23
US Mid-Cap Growth Fund USD C	€21.05	-0.17	-	19.47	-0.27
US Small Cap Blend Fund USD B	€25.37	-0.13	0.00	15.37	2.56
US Smaller Companies Fund USD B	€39.07	-0.29	0.00	10.71	-1.71
US Sustainable Growth Fund USD C	€33.71	-0.45	-	27.06	4.34
US Sustainable Value Fund USD C Acc	€13.66	-0.03	0.00	25.44	-

## EdenTree Investment Management Ltd (UK)

www.edentree.com

FCIA Recognised

EdenTree European Equity CIs A Inc	361.70	-1.10	2.42	15.26	6.43
EdenTree European Equity CIs B Inc	365.30	-1.10	2.91	15.89	7.01
EdenTree Global Equity CIs A Inc	367.10	-2.50	1.19	12.58	0.43
EdenTree Global Equity CIs B Inc	370.20	-2.40	1.61	13.20	0.96
EdenTree Global Impact Bond B	89.20	-0.15	2.97	9.37	-
EdenTree Green Future B Net Inc	111.80	-0.50	-	15.94	-
EdenTree Green Infrastructure CIs B Inc	€0.85	-0.00	6.49	5.41	-
EdenTree Managed Income CIs A Inc	126.00	-0.10	4.46	25.27	2.61
EdenTree Managed Income CIs B Inc	135.30	-0.20	4.57	13.73	3.09
EdenTree Multi-Asset Balanced CIs B Acc	€1.01	-0.01	2.11	13.73	-0.78
EdenTree Multi-Asset Calent CIs B Acc	€1.00	-0.00	2.10	12.47	-0.75
EdenTree Multi-Asset Growth CIs B Acc	€1.03	-0.01	1.85	15.13	-0.16
EdenTree Responsible and Sust Strt Bld B	96.08	-0.05	-	7.52	5.56
EdenTree Sterling Bond CIs A Inc	87.99	-0.10	4.37	12.40	-2.18
EdenTree Sterling Bond CIs B Inc	100.40	-0.10	4.37	13.15	-1.56
EdenTree UK Equity CIs A Inc	226.40	-0.40	1.95	9.75	-4.73
EdenTree UK Equity CIs B Inc	225.50	-0.40	2.53	10.39	-4.19
EdenTree UK Equity Opps CIs A Inc	306.30	-0.40	1.53	16.92	-4.43
EdenTree UK Equity Opps CIs B Inc	312.40	-0.30	1.99	17.52	-3.91

## CP Global Asset Management Pte. Ltd. (UK)

www.cpglobal.com

FCIA Recognised

CP Multi-Strategy Fund	€368.71	-0.30	-	12.85	11.11
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### CP Capital Asset Management Limited

www.cpgbl.com

FCIA Recognised

CPS Master Private Fund	€496.85	-0.66	-	12.34	10.16
CP Global Alpha Fund	€409.90	-0.76	-	12.31	10.37

## DWS (LUX)

www.dws.com

FCIA Recognised

DWS Invest Top Dividend	€154.51	154.51	-0.65	3.33	12.03	6.24
DWS Invest Top Eurofund	€173.76	173.76	0.06	-	10.88	1.07
DWS Invest Multi Opportunities	€128.79	128.79	-0.03	0.00	11.07	3.46
DWS Invest Global Bonds	€101.42	101.42	0.00	-	9.04	-0.81

## Ashmore Group (UK)

61 Abchurch Lane, London EC4A 3DF. Dealing team: +352 27 62 22 233

### Authorised Inv Funds

Emerging Markets Active Equity Fund	€129.75	-0.54	0.00	8.41	-4.91
Emerging Markets Blended Debt Fund	€58.51	-0.11	4.50	19.78	-4.42
Emerging Markets Corporate Debt Fund	€62.15	-0.03	4.25	13.33	-6.05
Emerging Markets Debt Fund	€64.81	-0.16	4.81	21.20	-5.08
Emerging Markets Equity ESG Fund	€154.73	-0.92	0.00	12.60	-5.67
Emerging Markets Equity Fund	€138.80	-0.92			

## MANAGED FUNDS SERVICE

Fund Bid Offer +/- Yield 1Yr 3Yr Fund Bid Offer +/- Yield 1Yr 3Yr Fund Bid Offer +/- Yield 1Yr 3Yr Fund Bid Offer +/- Yield 1Yr 3Yr

**LGT Wealth Management (CI) Limited (JER)**  
 IFC1, The Esplanade, St Helier, Jersey, JE1 4BP  
**FCA Recognised**  
**Volare Offshore Strategy Fund Limited**  
 Bridge Fund £2.9629 - -0.0088 2.35 14.40 1.09  
 Global Equity Fund £3.8152 - -0.0207 1.29 16.71 3.26  
 Global Fixed Interest Fund £0.7704 - -0.0025 4.62 11.15 -2.27  
 Income Fund £0.6838 - -0.0027 2.96 15.95 2.19  
 Sterling Fixed Interest Fund £0.6960 - -0.0008 4.73 11.63 -4.82  
 UK Equity Fund £1.9073 - 0.0000 3.41 10.15 -1.27



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 ASSET MANAGEMENT

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 PO Box 9038, Chesham, Bucks, MK9 2ZF  
 www.mandc.co.uk/charities Enq./Dealing: 0800 917 4472  
**Authorised Inv Funds**  
 Charfund Inc 1533.01 - -2.38 5.64 19.91 5.22  
 Charfund Acc 3335.15 - -51.73 5.02 19.89 5.21  
 M&C Charitable Investment Fund (Charitable) £ 1.10 - 0.00 3.98 9.56 -0.65  
 M&C Charitable Investment Fund (Charitable) Inc £ 41.98 - -0.06 3.51 9.57 -0.65  
 M&C Charity Multi Asset Fund Inc £ 0.94 - 0.00 - 16.33 5.71  
 M&C Charity Multi Asset Fund Acc £ 121.14 - -0.05 3.66 16.33 5.71

**Oasis Crescent Global Investment Funds (UK) ICVC(I) (UK)**  
**Regulated**  
 Oasis Crescent Global Equity Fund USD A (Dist) \$ 39.34 - -0.12 0.77 12.49 0.98  
 Oasis Crescent Global Income Fund USD A (Dist) \$ 10.28 - 0.00 - 7.57 0.61  
 Oasis Crescent Global Low Equity Fund USD D (Dist) \$ 13.33 - -0.01 1.50 11.19 0.64  
 Oasis Crescent Global Medium Equity Fund USD A (Dist) \$ 14.99 - -0.01 1.05 11.48 0.94  
 Oasis Crescent Global Property Equity Fund USD A (Dist) \$ 9.52 - 0.04 - 27.12 0.27  
 Oasis Crescent Global Short Term Income Fund USD A (Dist) \$ 0.94 - 0.00 - 4.83 1.30  
 Oasis Crescent Variable Fund GBP A (Dist) £ 10.35 - 0.00 0.70 11.38 0.34

**Omnia Fund Ltd Other International Funds**  
 Estimated NAV \$1183.07 - 24.07 0.00 28.23 22.38

**MMIP Investment Management Limited (GSY)**  
**Regulated**  
**Multi-Manager Investment Programmes PCC Limited**  
 UK Equity Fd CI A Series 01 £ 3080.40 3080.41 -231.75 - -2.98 13.94  
 Diversified Absolute Return Fd USD CI AF2 £ 1698.02 - 45.93 - -1.51 1.32  
 Diversified Absolute Return Stg Call AF2 £ 1579.00 - -1.96 - 0.70 2.45  
 Global Equity Fund A Lead Series £ 1747.16 1747.16 -5.31 - -1.04 6.13

**PLATINUM**  
 CAPITAL MANAGEMENT

**Marwyn Asset Management Limited (CYM)**  
**Regulated**  
 Marwyn Value Investors £329.72 - -6.14 0.00 - -7.17

**Platinum Capital Management Ltd Other International Funds**  
 Platinum All Star Fund - A \$ 166.21 - - 9.41 2.27  
 Platinum Global Growth UCITS Fund \$ 10.20 - 0.04 0.00 20.28 -10.40  
 Platinum Essential Resources UCITS Fund USD Class \$ 9.42 - -0.70 0.00 -19.83 13.34  
 Platinum Global Dividend UCITS Fund \$ 47.61 - 0.40 0.00 2.08 -7.25



**McInroy & Wood Portfolios Limited (UK)**  
 Easter Alderston, Haddington, EH41 3SF 01620 825867  
**Authorised Inv Funds**  
 Balanced Fund Personal Class Units 6194.40 - -2.00 1.40 7.84 1.52  
 Income Fund Personal Class Units 3006.60 - -0.60 2.40 10.95 3.76  
 Emerging Markets Fund Personal Class Units 2652.50 - -9.00 1.48 -3.84 -2.92  
 Smaller Companies Fund Personal Class Units 6363.30 - -14.40 1.30 7.22 -5.80

**Private Fund Mgrs (Guernsey) Ltd (GSY)**  
**Regulated**  
 Monument Growth 30/07/2024 £576.84 582.49 1.73 0.85 7.81 2.60

**MILLTRUST INTERNATIONAL**  
**Milltrust International Managed Investments ICAV (IRL)**  
 mim@milltrust.com, +44(0)20 8123 8316 www.milltrust.com  
**Regulated**  
 Milltrust Global Emerging Markets Fund - Class A \$ 89.59 - -0.14 0.00 -1.19 -9.27

**Purisima Investment Fds (UK) (1200)F (UK)**  
 3rd Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL  
 Order Desk and Enquiries: 0345 922 0044  
**Authorised Inv Funds**  
**Authorised Corporate Director - Waystone Management (UK) Limited**  
 Global Total Fd PCG A 519.15 - -3.98 0.26 26.21 8.58  
 Global Total Fd PCG B 511.63 - -3.92 0.07 25.90 8.31  
 Global Total Fd PCG INT 500.44 - -3.84 0.00 25.58 8.04

**Purisima Investment Fds (CI) Ltd (JER)**  
**Regulated**  
 PCG B \* 416.89 - -1.24 0.00 30.59 6.83  
 PCG C \* 404.08 - -1.20 0.00 30.31 6.60

**Milltrust International Managed Investments SPC**  
 em@milltrust.com, +44(0)20 8123 8316, www.milltrust.com  
**Regulated**  
 Milltrust Alaska Brazil Fund SP A \$ 87.21 - -0.21 0.00 -9.93 5.36  
 Milltrust Laurium Africa Fund SP A \$ 109.52 - -1.53 0.00 18.36 3.31  
 Milltrust Marcellus India Fund SP \$ 164.80 - -0.42 0.00 26.02 5.37  
 Milltrust Singular ASEAN Fund SP Founders \$ 152.81 - -0.16 0.00 18.88 0.06  
 Milltrust SPARX Korea Equity Fund SP A \$ 136.48 - -2.98 0.00 13.00 -4.92  
 Milltrust Xingtai China Fund SP A \$ 73.75 - -0.33 0.00 -18.18 -20.56  
 The Climate Impact Asia Fund SP A \$ 68.28 - -0.37 0.00 -10.85 -10.96



**Ram Active Investments SA**  
 www.ram-ai.com  
**Other International Funds**  
 RAM Systematic Emerg Markets Eq \$ 257.42 257.42 -1.58 - -15.35 2.97  
 RAM Systematic European Eq € 611.70 611.70 0.02 - -18.72 1.13  
 RAM Systematic Funds Global Sustainable Income Eq \$ 183.81 183.81 -0.47 0.00 22.16 5.41  
 RAM Systematic Long/Short European Eq € 170.78 170.78 -0.16 - -17.12 4.54



**Mirabaud Asset Management (LUX)**  
 www.mirabaud.com, marketing@mirabaud-am.com  
 Please find more details on our website: www.mirabaud-am.com  
**Regulated**  
 Mir. - Gls Strat. Bd I USD \$ 128.96 - -0.14 0.00 11.81 1.18  
 Mir. - DiscEur D Cap GBP £ 193.36 - -0.41 0.00 25.18 -2.91

**Royal London (UK)**  
 80 Fenchurch Street, London EC3M 4BY  
**Authorised Inv Funds**  
 Royal London Sustainable Diversified A Inc £ 2.63 - -0.01 1.31 14.96 0.36  
 Royal London Sustainable World A Inc 407.80 - -2.00 0.69 17.26 1.60  
 Royal London Corporate Bond Mth Income 78.05 - -0.11 4.91 12.62 -2.17  
 Royal London European Growth Trust 230.70 - -0.30 1.71 13.48 4.07  
 Royal London Sustainable Leaders A Inc 878.20 - 0.20 1.48 17.70 3.30  
 Royal London UK Growth Trust 693.70 - 1.40 2.03 19.47 2.85  
 Royal London UK Income With Growth Trust 222.40 - 0.10 4.55 19.88 5.82  
 Royal London US Growth Trust 504.40 - -2.20 0.02 24.63 11.90

Additional Funds Available  
 Please see www.royallondon.com for details

**Rubrics Global UCITS Funds Plc (IRL)**  
 www.rubricsam.com  
**Regulated**  
 Rubrics Emerging Markets Fund Income UCITS Fund \$ 144.47 - -0.63 - 4.35 1.02  
 Rubrics Global Credit UCITS Fund \$ 18.05 - -0.02 - 7.43 -0.29  
 Rubrics Global Fixed Income UCITS Fund \$ 179.66 - -0.67 0.00 6.56 -0.16



**SICO BSC (c) (BHR)**  
 +973 17515031  
 www.sicobank.com  
 Khaleej Equity Fund \$ 638.88 - 2.47 0.00 2.30 8.20  
 SICO Kingdom Equity Fund \$ 39.28 - -0.43 0.00 4.14 8.99  
 SICO Gulf Equity Fund \$ 168.34 - -0.17 0.00 2.42 8.30

**Superfund Asset Management GmbH**  
 www.superfund.com, +43 (1) 247 00  
**Other International Funds**  
 Superfund Green Gold \$ 1037.60 - -17.67 - 17.08 -10.86  
 Superfund Green Silver \$ 855.93 - -18.50 - 9.57 -13.88  
**Regulated**  
 Superfund Green US\$ \$ 654.76 - -3.20 0.00 -4.19 -16.70  
 Superfund Black Blockchain EUR € 17.62 - 0.40 0.00 67.65 -  
 Superfund Gold Silver & Mining EUR € 11.83 - 0.06 - - -

**Thesis Unit Trust Management Limited (UK)**  
 Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP  
**Authorised Funds**  
 TM New Court Fund A 2011 Inc. £ 20.75 - 0.01 0.56 9.78 1.13  
 TM New Court Fund -A 2014 Acc. £ 21.05 - 0.00 - 9.75 1.13  
 TM New Court Equity Growth Fund - Inc. £ 23.05 - 0.02 0.18 10.86 0.99

**Toscafund Asset Management LLP**  
 www.toscafund.com  
 Tosca Mid Cap GBP £ 117.80 - -0.64 0.00 -29.93 -21.59  
 Tosca Opportunity B USD \$ 252.81 - -15.03 0.00 -29.95 -19.96  
 Pegasus Fund Ltd A-1 GBP £ 27.03 - -0.23 0.00 -32.66 -22.42



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## WORK &amp; CAREERS

## Recruitment

# ‘Everybody loves free tickets’: how seasonal leisure businesses attract staff

Filling thousands of jobs for short peak periods is one of the hospitality industry’s big challenges, writes *Eri Sugiura*

As rides and attractions team leader at Chessington World of Adventures Resort, Sam Gadd says his job is to ensure the thousands of visitors who flood through the theme park’s gates this time of year have “the best day”.

But the peak period “can be stressful guest-wise”, he says. With higher gate figures than usual, “they’ll have to queue up for longer times, they won’t be able to get on as many rides . . . They’ll probably leave a bit more dissatisfied.”

Around 60 per cent of Merlin’s annual visitors come to its parks during the six weeks from late July to the end of August. The sudden surge of customers leads to one of the leisure industry’s biggest recruitment challenges: how to significantly scale up hiring for the busy summer period.

Nearly 1,000 seasonal staff – mostly students – work at Chessington in south-east England in the high season, accounting for more than 80 per cent of its workers. Chessington’s owner Merlin Entertainments, which also runs Alton Towers, Thorpe Park and Legoland, has to battle with hospitality businesses and retailers to meet the demand.

Since Covid, competition for staff in hospitality has been particularly intense. Soon after Merlin’s parks reopened following pandemic lockdowns, “we struggled to recruit at that point, because people, all of a sudden, were seeing lots of jobs in ecommerce and supermarkets as a safer job,” says Mike Vallis, managing director of resort theme parks at Merlin.

One crucial objective is persuading seasonal workers to return each year.

“We realised we’ve really got to



engage better with our staff to make them want to come and work for us,” instead of Tesco or Amazon, says Vallis.

He and other managers frequently visit each theme park and have made tweaks, such as changes to uniforms, following staff requests. Merlin also offers a popular benefit: “What everybody loves is [that] we provide them free tickets to our attractions” after a three-week probation, he adds.

Gadd, who started as a seasonal worker in 2021 before taking a permanent management position, says col-

leagues are “like one big family, and they motivate you to come back”.

Merlin must also be competitive on pay – a growing problem in recent years. “[We] always try to be ahead of the national minimum wage and the national living wage”, says Vallis.

Merlin’s return rate of seasonal workers has improved, from pre-Covid’s 20 per cent to more than 30 per cent, filling 5,000 jobs, half of its UK workforce. Most of these workers are under 25 and many joined the company at 16 or 17. Many are university students who

live locally with their parents, so Brexit had little impact, according to Vallis.

He started as a seasonal trainee engineer at Thorpe Park nearly 40 years ago and says Merlin is a “very good first job portal” for those interested in the hospitality industry, a factor that drives people back each year.

Through weeks of training, “we give people who have their very first job the skills straight away,” be it customer service, operating rides or cleaning, followed by ways to step up their responsibilities, including

**Ali Setterfield, a seasonal lifeguard with the RNLI, says the job is tough but ‘you’re doing something good’**

Charlie Bibby/FT

leadership training. “We can be that first job, and it can inspire people to consider hospitality as a career . . . They can use the skills that we’ll give them elsewhere,” Vallis adds.

Merlin starts writing to summer workers in November, asking if they want to come back. It maps out its returners with their desired time period and the number of staff needed at each park and starts recruiting in January.

The company participates in open days and career fairs at UK universities and the government’s portal for job seekers. As its return rate increases, more workers refer friends and family.

Introducing friends to the job is also one of the largest contributors

**‘We realised we have to engage better with our staff to make them want to work for us’**

to recruitment for the Royal National Lifeboat Institution, which hires 1,600 seasonal lifeguards each year, to serve from Easter until October. Existing workers at the charity, who carried out almost 3mn preventive actions in 2023 across the UK and Channel Islands, “are the best promoters of working as a lifeguard”, says Lee Fisher, RNLI’s lifeguard experience manager.

“We compete against the hospitality and retail [industries],” he says.

“A lot of our lifeguards are students, and they would be coming out to [work] for a hotel, a bar or a café.”

Ali Setterfield, a 20-year-old university student studying international business, has long been a passionate swimmer and is in his second year as a seasonal lifeguard at RNLI.

He admits it is a tough job – lifeguards must pass a fitness test, which requires a timed swim and he could sometimes be one of only five looking after 10,000 beachgoers in Margate. But, he says: “You’re doing something good, and when you save people, you’ve actually had a good impact on the world.”

## Leadership

## Blumenthal on the ‘true mania’ of his mental health crisis

The chef wants more help for staff after his extreme highs caused insomnia and hallucinations, writes *Emma Jacobs*

Almost eight months after leaving a psychiatric clinic, chef Heston Blumenthal is trying to make sense of his life and career through the prism of his bipolar diagnosis. “The more I’ve understood what it’s about, the more I can go back and look at my past,” he says.

In October, a mental health crisis caused him to become hallucinatory and resulted in him being sectioned. This experience made him reassess the sleeplessness he suffered earlier in his career, when he was doing 120-hour weeks in the kitchen. At the time he viewed it as a feature of his drive, the cost of success. Could his behaviour also have been an early sign of his disorder?

“I think it’s been there for such a long time” he says. “I still want to find out more about me.”

After opening The Fat Duck in 1995, the self-taught Blumenthal was dubbed a culinary Willy Wonka for his experimental approach to food, creating concoctions such as snail porridge and bacon-and-egg ice cream. In 1999, the restaurant won a Michelin star and five years later it had three, which it retains. The success made him a celebrity, with television shows and cookbooks alongside a food range in Waitrose supermarkets. He later opened the Hinds Head in Berkshire and Dinner by Heston in London’s Knightsbridge, where we meet.

Sitting on the terrace, Blumenthal’s shaved head and black-rimmed glasses are familiar but his manner is tentative, calibrating his thoughts. He wants to talk because “it’s really hard” for most people to be open about mental health despite awareness-raising over the past decade. “They’re scared that stigmatisation will affect their jobs.”

Since disclosing his condition, acquaintances and strangers have been in touch “saying, ‘That was really brave and really emotional’. But not one

person has contacted me to say, ‘OK, I’ve got it as well.’” This despite more than 1mn people having the disorder in Britain, according to charity Bipolar UK.

Blumenthal knows he can be open because he is cushioned by wealth and is no longer critical to the day-to-day running of the business. “It’s much easier for me to have a platform . . . I’m not the CEO, not the COO.”

In 2006, he sold his restaurants to concentrate on the development of his personal brand and new ideas. His role in the business now is broadly “creativity and development. It’s my taste buds.” Pointing in the direction of the kitchen, he acknowledges: “These guys, they do all the work . . . It’s taken years to build a structure and team. If I go into the kitchen, I would cause chaos.”

The chef has spoken to the senior management team about his diagnosis and is figuring out what actions the company could take to best support mental health and neurodiversity. In

**‘I wanted to love every single person . . . then bang, I’d get really angry at the world’**

2016, he received an ADHD diagnosis that he found “really cool” but acknowledges “I’m not sure if it’s cool for everyone”. Learning about neurodiversity helped him. A car alarm starts and Blumenthal loses focus due to his sensitivity to noise, pausing until it stops.

He has discovered ways to organise his life, such as using objects as memory prompts. “I love to see myself as a walking experiment.”

Mental and physical changes increased when he experienced extreme highs in his crisis last year, propelled by a desire to “save the world”.

“I wanted to love every single person on it, because everyone is wonderful. I’d vomit ideas,” he recalls. But then if someone moved so much as “a Post-it note . . . then bang, I’d get really angry at the world, I wouldn’t mince my words.” He likens his mood swings to a child’s. “Sometimes they get overexcited and then . . . the balance tips the other way and they have a screaming fit.



Blumenthal on the terrace of his Knightsbridge restaurant. He says medication helped stabilise his moods — Anna Gordon/FT

Both the positive sides, all the ideas and the wonderment, and the negative side. You can’t have one without the other.”

The feelings intensified. “I’d become a danger to myself and also [a] potential danger to people around me. I’m not talking about physical danger, but emotional danger. I never had suicidal thoughts [before then], touch wood, thankfully they’ve gone.” At one point he believed there was “a gun on the table . . . It seemed real.”

For four to five days last year, he only slept an hour or two. “I was so excited. Talking about making stuff. It was true mania.” Melanie Ceysson, his wife of 18 months, repeats the words, dispelling any notion this creativity was productive. “You were [having] so many ideas there was no time to realise anything.”

Fearing for his mental and physical health, in November Ceysson sectioned him. Blumenthal stayed in a psychiatric hospital for 20 days before moving to a clinic for 40 days, which he says “was fantastic”, allowing him to do therapy and adjust to medication.

Blumenthal’s diagnosis is Bipolar One. Taking my notebook, he draws lines denoting the different ups and downs, according to types of the illness. “The most amazing time in the world is actually the [most] dangerous one.”

The sleeplessness and state of excitement put a stress on his body that doctors said was potentially lethal.

While he has no desire to experience the mania again, he does not regret the contribution a milder version may have had in a career characterised by innovation. He is fond of citing Picasso’s quote: about every child being an artist and the problem being how to remain one.

“We build layers of fear,” he says, recalling attempts to get staff to overcome this with his Museum of Crap Ideas.

“[You] had to come up with an idea no one else had thought of and it had to be so bad no one else would.”

Blumenthal says medication has stabilised his moods, enabling him to actually pursue and develop his ideas. That, along with sustaining a healthy routine, is now his priority. Whatever extra creativity the highs once sparked, he does not want to go back: “The highs mean lows,” he says.

## ARTS

Artist Mohammed Sami is disrupting Blenheim Palace's grandeur with his ominous works, writes Maya Jaggi

In Mohammed Sami's enigmatic painting "The Grinder" (2023), four empty turquoise chairs at a table are viewed from above, amid an expanse of mud-coloured carpet. The mixed-media work on linen is dominated by a shadow cast by what might be a ceiling fan or helicopter blades — reminiscent of the film *Apocalypse Now*, in which remembered Vietnam helicopter gunships morph into the fan above Captain Willard's bed.

As you study Sami's unsettling painting, the overhead perspective inexorably turns the shadow into digital cross-hairs hovering over an unwitting target. As is usual in his work, no figures are depicted, but powerful people are a palpable presence. Rather than the usual suspects placed under surveillance, this painting appears to turn the tables, putting in our sights the decision-makers and controllers normally invisible behind closed doors — watchers, watched.

"The Grinder" is the key opening work of *After the Storm*, a solo show at Blenheim Palace by the Baghdad-born artist, who left Iraq in the years after the US-led invasion of 2003 and found refuge in Sweden in 2007. (He now lives in London.) Marking 10 years of the Blenheim Art Foundation's contemporary art programme — previous artists have included Ai Weiwei, Jenny Holzer and Tino Sehgal — 14 of Sami's new paintings on linen are on view to the public in parts of the Duke of Marlborough's stately home in Woodstock, Oxfordshire. Most were painted this year in response to the palace and its collection.

John Vanbrugh's Baroque masterpiece, now a Unesco World Heritage Site, was completed in 1722 as the gift of Queen Anne to John Churchill, first Duke of Marlborough, for winning the 1704 Battle of Blenheim (Blindheim) in Bavaria — a rout that "changed the political axis of the world", wrote his descendant Winston Churchill, who was born here. The palace was created to glorify martial victory over the French in the war of the Spanish Succession.

As you walk through the courtyard, past cannon and Roman centurions, a



Based on a photograph of Winston Churchill, 'Immortality' is hung among family portraits — Tom Lindboe

a red damask wall, shattered crockery strewn around. The room label, reminding us that English fine bone china was invented in 1749 when porcelain was supplemented with bone ash, hints at a link between broken plates and blasted bodies. In a more benign world, the tied cloth bundles in "The Statues" could be garden umbrellas waiting to be unfurled. Here, next to ceremonial flags, the objects resemble body bags.

Blenheim's connections to 20th-century warfare become explicit in Sami's "Immortality", which is hung in a corridor of family portraits. Based on a 1941 photograph of Churchill, the shadowy image of a figure with splashes of white at collar and cuff is unmistakable.

The most impressive of Sami's works on show here are in widescreen. The 5.5-metre-long "The Eastern Gate" (2023), which hangs in front of a silver centrepiece sculpture by Robert Gardard of the Duke of Marlborough on horseback, offers a breathtaking vista of Baghdad in an ethereal orange haze, with tank tracks advancing across the foreground. By contrast, the field of sunflowers in the dripping impasto of "Massacre" (2023) has been devastated not by tanks but by cavalry hooves.

The final painting in the chapel, evoking a couple underwater or vaporised by a blinding light, is "Hiroshima Mon Amour". A label asserts that this work is "a departure from Sami's personal field of experience". Yet the artist's insistent questioning of Blenheim's art and history makes the universality of his work crystal clear.

To October 6, blenheimpalace.com

## Questions over the spoils of war

carved clock tower designed by Grinling Gibbons shows the lion of England savaging the cockerel of France. On the apex of the pediment, a helmeted Minerva, goddess of war and art, lords it with her trident over cowering French POWs, hands bound behind their backs. "The Grinder" hangs in the Great Hall, whose painted ceiling by James Thornhill shows the duke in Roman attire presenting his battle plan to a helmeted Britannia, seated on a globe, as minions pile up the spoils of war.

Art and architecture have played a key role in sustaining and memorialising conflict. Yet the strategic insertion of

Main picture: 'The Grinder' opens Mohammed Sami's show 'After the Storm' at Blenheim Palace — Tom Lindboe

Sami's works here profoundly alters the visiting experience. Placed facing a vitrine of Napoleonic toy soldiers, "The Grinder" plays off these war games with the remote targeting of modern warfare. It also puts an irresistible gloss on the huge blue and brown eyes which the ninth duke's wife had painted looking down from the portico ceiling — from a kitsch gesture into Big Brother.

Blenheim's prized tapestries celebrate sieges and battles: even their borders

seethe with muskets, helmets, bugles and drums. Sami's unsettling paintings sharpen our awareness of this insidious visual propaganda, but also the suffering it omits.

In "Chandelier", exhibited in the Red Drawing Room, what appears to be the painted shadow of a six-candle Baroque light suspended from the ceiling resembles a spidery drone — a sinister reminder of how everyday objects can trigger traumatic memories for people who've survived conflict. Stencilled on a painted background resembling chipboard is the start date of the US-led invasion of Iraq: 03/2003.

Hanging amid the tapestries is Sami's "Reborn" (2023) — one of a scabrous series depicting medal-adorned military men. While the bright green of his uniform picks up the chair covering, only a dimpled chin is visible of the face. The rest is obscured by a thick layer of

paint, sand and dust, on which a moth appears to have settled.

Two more obscured portraits found in the library next to a marble statue of Queen Anne make explicit links between past and present wars. "Wall of Cockroaches" veils an officer's head in a curtain of dripping yellow paint, another trompe-l'oeil insect settled where his face should be.

It recalls the grotesquely corrupt generals depicted in the expressionist paintings of Serwan Baran, a conscript in the first Gulf war who represented Iraq at the 2019 Venice Biennale. In Sami's "Stiff Head", the face obliterated by caked and cracking beige paint is that of a cavalry officer, his faded red uniform adorned with gold brocade.

This dialogue with the palace continues in a roomful of Meissen and Sèvres porcelain. In "Wiped Off", a mop stands erect as a rifle in a pool of blood against

The most impressive of Sami's works on show is the 5.5-metre 'The Eastern Gate' — Tom Lindboe



## Radio shorts in full colour

### PODCASTS

Fiona Sturges



I've never been much of a reader of short stories. No doubt I'm missing out on some great books, but I prefer to spend several days, rather than a lunch hour, in the company of my favourite authors. In audio, it's a different matter. There is much to be admired in a meticulously reported, 10-part narrative documentary, but brevity also has its merits. It is one of the reasons I keep returning to *Short Cuts*, the long-running BBC Radio 4 podcast notable for its concision and its experimental approach. It is produced by Falling Tree, specialists in unusual and inventive audio.

Now on its 39th series — and approaching its 250th episode — *Short Cuts* is made up of beautifully crafted and curated micro-documentaries, roughly 10 minutes apiece, which are bookended by the comic and writer Josie Long. In her introduction, Long describes the series as "brief encounters, true stories, radio adventures and found sound". Each episode contains three or so documentaries and the subject matter is wide-ranging, sometimes slippery and wholly impervious to the news cycle. Past episodes have featured themes such as quiet acts of resistance, the flow of water and the moments language cannot describe. *Short Cuts'*

slightly woozy vibe means I often listen late at night, staying awake just long enough to finish a story that will invariably float into my dreams.

The first episode in the new series is called "In Colour" and features a poignant documentary called *Autism Plays Itself*. An "audio adaptation" of a short film by Janet Harbord, it is based on footage shot in the children's ward of London's Maudsley hospital in 1957, then made for doctors to observe children with autism.

"Where the film was in black and white," says Long in her introduction, "this adaptation attempts to bring colour and depth to the people at its heart." Thus we hear the reflections of three autistic commentators who interpret and express kinship with the actions of the children. "There's something about the freeness of being autistic that just frightens people," says one. As he observes a little girl lining

up objects by size and colour, he notes, "In a chaotic world, that's all we need. More lining up of things."

Another of the documentaries, *Red of Visibility*, finds a young woman overcoming childhood trauma through a reflection on the colour red. Created by Phoebe McIndoe and unfurling against a soundscape of birdsong, heartbeats, singing and church bells, it is poetic, evocative and suffused with melancholy.

By contrast, there is whimsy and wonder in *Green Flash*, the third of the documentaries, written by Joe Dunthorne about his quest to witness the meteorological phenomenon known as "the green flash" that often occurs at sunset. Downcast at spending fruitless evenings waiting for it, he unexpectedly witnesses another miracle of colour in his own home.

bbc.co.uk



The 'green flash' at sunset in Baffin Bay, northern Greenland — Jack Stephens/Alamy

## FT ADVISER

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## FT BIG READ. WORLD AFFAIRS

How national security adviser Jake Sullivan and chief diplomat Wang Yi met quietly to begin the process of stabilising relations in 'cloak and dagger' summits in Austria, Malta and Thailand.

By Demetri Sevastopulo

# Inside the US-China backchannel

Three months after a Chinese spy balloon flew over the US, sending relations with Beijing to their lowest point since diplomatic ties were established in 1979, Jake Sullivan embarked on his own stealth mission.

The US national security adviser flew to Vienna on May 10 2023 for a highly consequential meeting — one that would be held in the kind of clandestine fashion in keeping with the Austrian capital's historic reputation.

Sullivan was in Vienna to meet Wang Yi, a veteran Chinese diplomat who had become his country's top foreign policy official in January. After handshakes and a group photograph, the two teams began a series of talks at the Imperial Hotel that spanned more than eight hours over two days.

It was the first of several secret rendezvous around the world, including Malta and Thailand, now called the "strategic channel". Sullivan will arrive in Beijing on Tuesday for another round of talks with Wang in what will be his first visit to China as US national security adviser.

The channel has played a vital role managing relations between the rival superpowers during a period fraught with tensions. At a time when the US

'It's rare to see both sides set aside talking points and just have a pretty in-depth philosophical strategic conversation'

is consumed by the idea of competition with China and Beijing can shift abruptly between supreme confidence and paranoia about its standing in the world, the channel has been a shock absorber that officials say has helped cut the risk of a miscalculation by both nations.

While the backchannel has not resolved the fundamental issues between the rival superpowers, says Rorry Daniels, a China expert at the Asia Society Policy Institute, it has aided each's understanding of the other.

"It's been very successful in short-term stabilisation, communicating red lines and previewing actions that might be seen as damaging to the other side," she says.

Based on interviews with US and Chinese officials, the FT is able to recount how this diplomatic channel came about — and the details of how it operated.

The stakes were extremely high in Vienna. The balloon episode was just one of many events that had sent relations into a tailspin.

China was angry about US export controls on semiconductors, while Washington was furious that China appeared to be providing support for Russia's war in Ukraine.

All the issues were stacked against the backdrop of the most sensitive topic in US-China relations — Taiwan. In recent years, China has increased its military activity around the island it considers sovereign territory, sparking concern in the US. Meanwhile, American efforts to arm the country and train its military have angered Beijing.

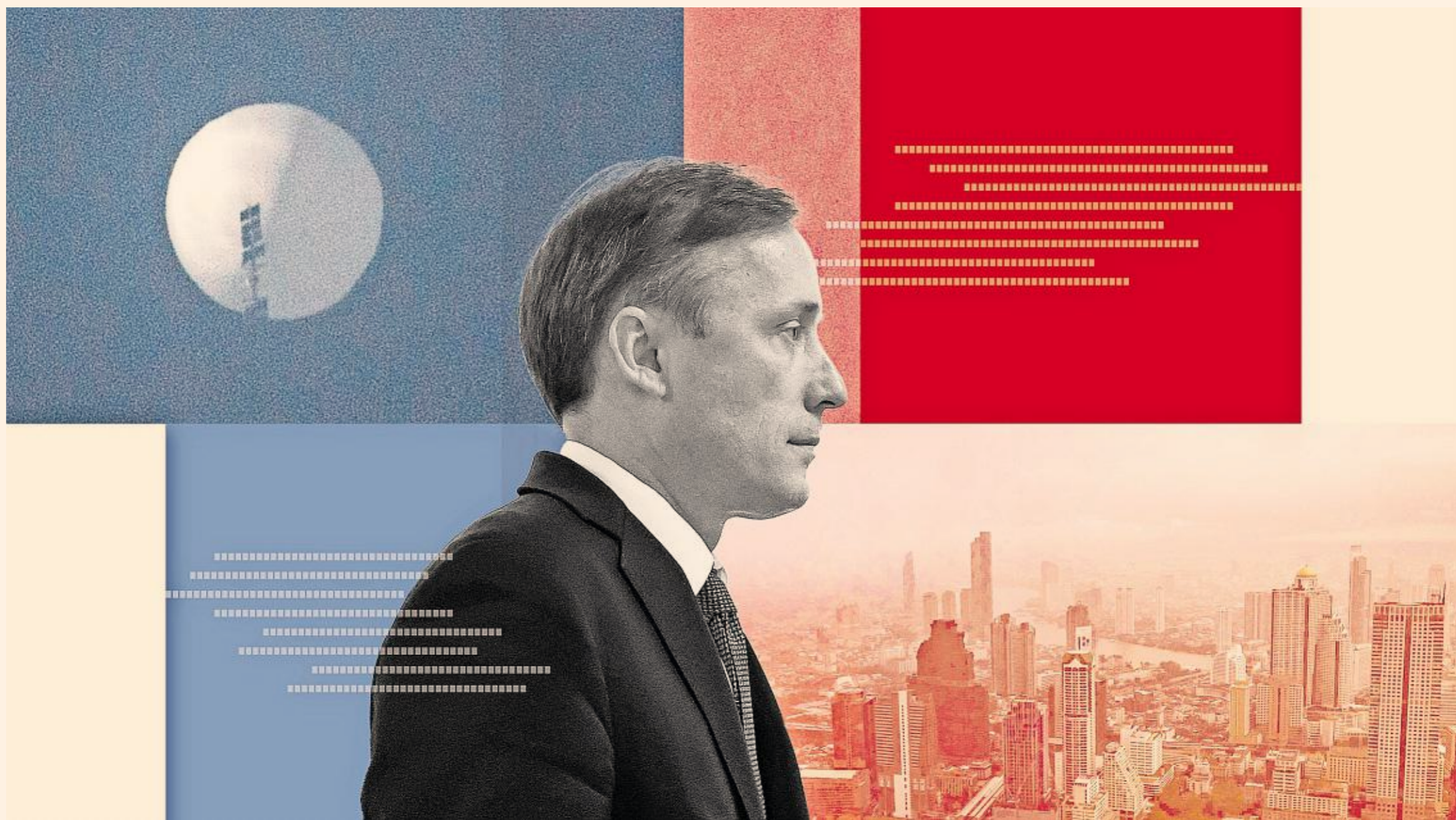
Tensions flared in August 2022 when Nancy Pelosi became the first US House Speaker to visit Taiwan in 25 years. China responded with massive military drills and fired ballistic missiles over the island for the first time.

Sullivan was mindful of recent events as he prepared for the meeting. "What was going through Jake's mind was essentially that we've got to take everything that's come before and say, 'All right, how do we actually set out a path that gets us on a stable trajectory', while at the same time not giving an inch on the things that we insist on doing because they're in our interest," one US official tells the Financial Times.

Vienna was chosen because it was equidistant from Washington and Beijing and a city where the officials could meet without attracting much attention. "It seemed a bit cloak and dagger," says a second US official.

It was also an interesting choice given its reputation for being a haven for spies over the years. "I'm sure there were plenty of other folks in that hotel," the official adds with a grin.

The two sides kept the meeting under wraps by staying mostly inside the hotel. "It's pretty bare bones. You fly in,



**National security adviser Jake Sullivan has been central to a series of private meetings around the world, including Bangkok, designed to cool tensions between the superpowers. Below: Wang Yi, his counterpart in the meetings, went from being a veteran Chinese diplomat to become the top foreign policy official**  
FT montage/Getty Images

you drive to the hotel, you go into the room, you sit there for hours and hours," says the first US official. "There's no hanging out in Vienna or Malta or Bangkok . . . It's the least glamorous way to see the world."

But they were not in Vienna for sight-seeing. They had been tasked with trying to stabilise the most important bilateral relationship in the world. Six months earlier, President Joe Biden and President Xi Jinping had agreed to create a strategic channel when they met at the G20 in Bali, Indonesia. They wanted to put a "floor" under the relationship to stop it from sinking further. But within months, the plan had been derailed by the balloon saga. Vienna was an opportunity to attempt a second reset.

The channel was designed to facilitate the kind of in-depth discussions that are harder during high-profile visits. Washington has used national security advisers before for sensitive China-related missions, including when President George H W Bush sent Brent Scowcroft to Beijing in 1989 following the Tiananmen Square massacre.

The choreography in Vienna included the dinner, which was limited to four officials on each side to create an environment that would enable the pair to have a genuine discussion rather than an exchange of talking points.

There were some light moments. "We would talk about travel, sports, that kind of thing," says the first official, before emphasising the overwhelmingly serious nature of the talks.

The plan to create a less scripted conversation appeared to work. "It's pretty rare to see both sides set aside talking points and just have a pretty in-depth philosophical strategic conversation," says the second US official.

Each side went into the meetings with a tailored list of strategic issues that they wanted to discuss at length. One Chinese official says Wang used the encounters in Vienna, Malta and Bangkok to press three themes.

His prime message was that China viewed Taiwan as the most important issue, a "red line" that should never be crossed. "He indicated that Taiwan independence is the biggest risk to cross-Strait peace and the biggest challenge to China-US relations," says the

Chinese official. China views US engagement with Taiwan as interference in its domestic affairs. But it tacitly understands that Washington has far more ability than Beijing to influence Taipei. The Chinese official said the strategic channel allowed Wang and Sullivan to discuss Taiwan in a "very candid" way.

In Vienna, for example, Sullivan stressed that Washington was not trying to spark a war, according to the first US official.

"We're not trying to drag China into a conflict over Taiwan. Nothing could be further from the truth," adds the second official, who added that Beijing had become "pretty conspiratorial" about US intentions.

Beyond Taiwan, Wang focused on the other two messages, according to the Chinese official. He rejected the US framing of the relationship as a "competition". And he stressed that China opposed US export controls.

Sullivan strived to get Wang to understand the new reality — that the nations were in a competition but one that should not preclude co-operation.

'Diplomacy is how you clear up misperception and avoid escalation. It's actually not at odds with competition'

"That was a really hard jump for the Chinese," says the second US official. "They wanted to define the relationship neatly [as] we're either partners or we're competitors."

The Chinese official said China did not accept the argument. "Wang Yi explained very clearly that you cannot have co-operation, dialogue and communication . . . and at the same time undercut China's interests."

While Wang was not persuaded, Vienna enabled a reboot. It paved the way for Blinken to visit China that June and other reciprocal high-level visits.

In September 2023, Sullivan and Wang arrived in Malta for a second meeting.

It was another low-profile location with historical pedigree, having hosted a meeting between President George H W Bush and Soviet leader Mikhail Gorbachev in 1989 after the fall of the Berlin wall.

This time, Wang and Sullivan were focused on negotiating a possible meeting between Biden and Xi if the Chinese leader decided to attend the Apec forum in San Francisco that November.

"Malta was really about nailing down what the San Francisco summit . . . would try to accomplish," says the first official.

They discussed possible deals for a summit, including a compromise that

would involve the US lifting sanctions on a Chinese government forensic science institute in return for China cracking down on the export of chemicals used to make fentanyl. They also talked about resurrecting the military-to-military communication channels China had shut after Pelosi visited Taiwan. And they discussed creating an artificial intelligence dialogue.

While there were tough exchanges on issues such as US concerns about China helping Russia rebuild its defence industrial base and other issues, both sides appeared ready to move forward.

"Vienna and Malta helped China-US relations go back to the Bali consensus," says the Chinese official, referring to the November 2022 agreement between Biden and Xi to try to stabilise the turbulent relationship.

They agreed that Wang would visit Washington in October where he met Biden and sat down with Sullivan at Blair House, the state guest house across from the White House, to finalise the final details for San Francisco.

The choreography surrounding the resulting summit was intense. At one point, the Chinese became agitated because the US was taking longer than expected to provide bulletproof glass to protect Xi inside his hotel room.

In the end, the event went off without a hitch as Biden and Xi held four hours of talks at the Filoli estate in Woodside. Both sides appeared to come away satisfied as the main ideas from Malta had come to fruition.

"We walked away from Woodside with three pretty solid outcomes . . . despite what had been a pretty challenging spring," says the second US official.

But not everyone was happy with how they had got there. In Washington, Biden came under fire from Republicans for falling into the trap of "zombie engagement".

"We took some shit," says the first US official, who argued the channel paved "a road to San Francisco" and thereby gave Biden a critical chance to raise concerns directly with Xi.

Other participants add that it was important to have more diplomacy when doing things like taking competitive actions against China.

Rush Doshi, a former NSC official who attended the meetings with Wang, says it was important to explain to China what the US was doing — and not doing. "Diplomacy is how you clear up misperception and avoid escalation and manage competition. It's actually not at odds with competition but part of any sustainable competitive strategy."

Two months after San Francisco, Wang and Sullivan met again in Bangkok where, according to the first US official, Wang was focused on two issues: the intersection of economics, technology and security, and secondly Taiwan.

Sullivan told Wang that while China was angry about US technology export

controls, it should consider its own policies, using an analogy of "stock versus flow". But Wang was adamant that the US was trying to contain China's economic rise with its "small yard, high fence" export control strategy, the Chinese official says.

"Tech is a massive priority for them," the first US official says. "They do not accept the underlying premise of what they see as essentially the securitisation of the technology relationship when they view it as fundamentally about core economics and innovation and not about national security."

In Bangkok, Sullivan again raised the issue of Chinese support for Russia. The first US official says China had taken a few small measures to address the concerns but, "the overall direction of travel is not great."

Yet despite many differences, both sides say that the channel is valuable. The Chinese official said it was a "very important" mechanism that played a constructive role and enabled important discussions about Taiwan.

It has helped lower the temperature on Taiwan after a period where some experts worried that the US and China were on a trajectory towards possible conflict. While China refuses to rule out using force over Taiwan and conflict with the US cannot be ruled out, the engagement has sparked sighs of relief from US allies in Europe and Asia.

US and Chinese officials say one reason the channel worked was the personalities involved. The first meeting between top Biden officials and their Chinese counterparts — in Alaska in 2021 — had erupted into a fiery public exchange between Wang's predecessor Yang Jiechi and Blinken. Partly because of this, Chinese officials say they prefer dealing with Sullivan, even though they view him as tough.

The US likewise prefers Wang to his predecessor, nicknamed "Tiger" Yang. The first US official says Wang would make his points forcefully but was intent on ensuring that Sullivan understood China's perspective rather than scoring points. "Yang was a different breed of cat," he quips.

That suited Sullivan who was focused on ensuring both sides understood each other to avoid misunderstandings that could create more difficult-to-manage turbulence in the relationship and lead to possible conflict.

Sullivan tells the FT that he was under no illusions that the channel would convince China to change its policies, but he stressed that it had played an instrumental role in helping to shift the dynamic in US-China relations.

"All you can do is take their policy, our policy, and then try to manage it so that we can take the actions we need to take and maintain stability in the relationship," Sullivan says. "We have been able to accomplish both of those things."

# The FT View



FINANCIAL TIMES

'Without fear and without favour'

ft.com/opinion

## The future of the AI-enhanced classroom

*New technology is poised to change the way students are taught and learn*

As students return for a new school year, artificial intelligence is beginning to seep into the classroom. In at least one London private school, a pilot group will begin studying core subjects for GCSE exams in "teacherless" classrooms using AI-powered systems, supervised by "learning coaches". The disruption of teaching by technology is, though, not universally welcomed. In South Korea, a plan to introduce AI-powered digital textbooks in schools in 2025 has sparked a backlash among wary academics and parents.

As in other fields, AI is in reality unlikely to replace teachers any time soon, and nor should it. Research suggests the best learning is social, involving interaction between teachers and students, and between students them-

selves. This is one reason why "massive open online courses" – open-access, web-based courses aimed at wide participation – have not lived up to the hype around their arrival in the 2010s.

AI is also unlikely ever to be able to substitute for the judgment, motivation, guidance and pastoral care a teacher can provide. But since students will enter AI-equipped workplaces, schools must prepare them to navigate that world, including through how they learn. And AI holds the prospect of empowering teachers – giving them more time to do what they do best.

The technology can, for example, help with the hours of grunt work, sometimes unpaid, that teachers do outside the classroom. Educational technology companies are already launching products using generative AI to help teachers prepare lesson plans and presentations, and tasks for students, though, like AI elsewhere, these must be policed for "hallucinations" and bias. Increasingly sophisticated systems are being

launched, too, that can mark tests and homework.

Ed techs are also developing AI-powered tutors that can open the way to giving students more individual attention by tracking their progress and understanding and providing tailored support. South Korea's digital tablets, for example, are billed as being customisable so that both fast and slow learners can be assessed by software and given specific, AI-generated tasks.

A headache for teachers has been ensuring students do not outsource learning completely to AI, and use it to write their essays and maths answers. Some schools are expanding the concept of "flipped learning" and moving away from asking students to produce written work at home where AI is easy to deploy. Homework is instead used to study learning materials – potentially AI-aided – and classroom time to deepen and test students' understanding through discussion, problem-solving and some supervised written work.

Artificial intelligence holds the prospect of empowering teachers – giving them more time to do what they do best

AI-assisted tools can make learning more efficient. They may also enable subjects to be taught in more creative ways. Students can have conversations with avatars in foreign languages, visit the International Space Station using virtuality-reality headsets, or use AI software to co-create music and art.

Indeed, the advent of AI not just in education but across the workplace will necessitate a rethink of exactly what schools teach and how they teach it. The instant access to information technology offers ought to facilitate a move away from rote memorisation and towards developing students' ability to apply their knowledge and skills.

By making teachers more productive, AI-assisted education offers the possibility of compensating for shortages of skilled staff, especially in poorer regions and countries. But in order to reap the full benefits of the technology – without undermining existing educational standards – teachers, schools and governments will need to adapt too.

### Opinion Society

## Why do we find it so hard to accept coincidences?

Ben Hickey



Gemima Kelly

If a screenwriter were to come up with a storyline in which a tech tycoon drowns when his luxury yacht is hit by a freak storm just two days after his co-defendant in a multibillion dollar fraud trial – for which both men were recently acquitted – is fatally hit by a car in another set of ostensibly unsuspecting circumstances, they might very well be told this was rather too implausible for viewers to buy.

And yet this was the tragic real-life series of events over the past week or so. The body of Autonomy co-founder Mike Lynch was recovered on Thursday, along with four others who had been on board Bayesian when it sank off the coast of Sicily in the early hours of last Monday (the body of Lynch's 18-year-old daughter was found later), while former colleague Stephen Chamberlain died after a car hit him during a run on Saturday.

It didn't take long for the conspiracy

**When circumstances seem unlikely and yet related, like last week's deaths, we tend to look for causation**

theories to start. Pro-Russia personality Chay Bowes posted on X a clip of himself speaking on the Russian state-owned RT channel in which he pointed out the low probability of being acquitted in a federal criminal trial in the US – about 0.4 per cent, according to Pew. "How could two of the statistically most charmed men alive both meet tragic ends within days of each other in the most improbable ways?" asked Bowes.

The apparently random, unrelated and unlikely circumstances of Chamberlain's and Lynch's deaths are bizarre indeed, though the idea that some of us might be "statistically charmed" is perhaps even stranger. But what makes it so hard to get our heads around the idea that some things are really just a coincidence?

Further, what do we even mean by the term? I like the definition offered by mathematicians Persi Diaconis and Frederick Mosteller in their 1989 paper, "Methods for Studying Coincidences", namely "a surprising concurrence of events, perceived as meaningfully related, with no apparent causal connection".

That we should be astonished when coincidences do happen is understandable, even reasonable. After all, every coincidence that occurs is, by its very nature, highly improbable. But

that some coincidences occur is not just highly likely; it is inevitable. We might like to imagine that we all have control over our lives and what goes on around us, but in reality we live in a complex, messy, often inexplicable world in which chance plays a huge role.

"Everything that happens is incredibly unlikely, and the most unlikely thing of all is to be born," David Spiegelhalter, emeritus professor of statistics at the University of Cambridge, tells me.

"The sequence of occurrences that led to your existence is so bizarrely implausible – any little whisker of change and you wouldn't be you," Spiegelhalter says. "With the uncountable ways in which your parents' chromosomes can combine, if you were conceived an hour later you could be a very different person. We are each a product of a unique sequence of unrepeatable events."

As we know from Diaconis and Mosteller's definition, though, what makes a coincidence is something that is "meaningfully related". So while our very existence might be vastly more unlikely than the close-together deaths of Lynch and Chamberlain, we don't consider ourselves to be walking coincidences.

But when we do notice a set of circumstances that seem both highly unlikely and related in some way that we consider significant, our tendency is to look for causation. When the exact same numbers were drawn two weeks in a row in Bulgaria's national lottery back in 2009, authorities ordered an investigation, suspecting manipulation, but they came up with nothing. A mathematician put the odds of this happening at one in four million – highly improbable, but at some point, such coincidences will inevitably occur.

Indeed, the odds of any one person winning the national lottery are inconceivably low, and yet the chances that *someone* will win it in any given week are very high. To the winner, of course, the fact that they picked the right numbers is a huge coincidence; to everyone else, the fact that a random person won the lottery this week is utterly non-noteworthy.

Occasionally, of course, seemingly unrelated events can lead us to reconsider what we had earlier considered a "coincidence". Was the fact that Covid-19 started in a place in which there is a lab that conducts research on coronaviruses just a coincidence, or does it suggest the virus didn't come from a wet market as widely reported? We may never know. But coincidences do and should make us ask questions about the circumstances that produced them. Sometimes, though, all we will find is that truth can be stranger than fiction.

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## Letters

### Reforms can ensure UK social housing is economically viable

Reports of the chancellor's plans to raise social rents above inflation to help bolster funding for affordable housing ("UK chancellor plans to raise social rents to boost affordable housebuilding", Report, August 20) demonstrate the new government's eagerness to find tangible solutions to the housing crisis.

However, it's worth noting that fixing the budget and improving living conditions are not mutually exclusive. This move will have the greatest success if made in conjunction with additional steps towards ensuring the economic viability of Britain's social housing system in the short and long term.

Councils have been left a harrowing legacy of homelessness and there is no quick fix. With statutory homelessness up by almost 20 per cent since 2022, any commitment to bridging this gap brings with it significant cost for councils and housing providers.

To fund these projects, we need to plug the gaps created by a broken system, starting with the shortfalls of housing benefit subsidies, which are leaving both councils and communities struggling to make ends meet.

A review of national policy on the housing benefit subsidy rate councils receive, which is still linked to 2011 rent levels, is urgently needed to bring about immediate savings.

In Sheffield, the 90 per cent housing benefit subsidy rules for temporary and supported accommodation led to a £5.9m loss to the council in 2022-23. This is public money that could go back into housing.

Looking further ahead, just as the governments of Scotland and Wales have done, Key Cities (a network of UK local authority leaders) is calling for Right to Buy to undergo reforms to allow councils to retain receipts from sales so they can be combined with government grants and reinvested into new social homes.

Meanwhile, as outlined by the National Housing Federation earlier this year, implementing major social

rent programmes will lead to increased and faster returns for councils over time – it's a virtuous circle with benefits for not only council finances but also job creation.

If affordable housing is to be a pillar of Britain's future, finding an equitable way to make social housing economically viable is the only way forward. This will guarantee that the government leaves a legacy of both social and economic improvement for years to come.

**Councillor Lorna Fielker**  
Deputy Chair of Key Cities  
Leader, Southampton City Council  
Labour Councillor for Swaythling Ward  
Southampton, UK

### Solutions to skills crisis can be found across Britain

It was good to see the Big Read dedicated to skills ("The UK skills crisis holding back growth", August 20) and the article makes a series of points very well.

One of the issues with skills in England is the failure to combine funding at FE and HE levels, and to ensure it has a place-based component to its thinking. Some of this might occur at combined authority level with the devolution of the adult education budget, but it needs a national strategic perspective and set of national priorities as a guide. We must also recognise that pursuing a degree is not purely academic as it means gaining key competences and skills. The better structured degrees mean an undergraduate can gain 20-plus critical competences relevant to their future work. It is also important to recognise that many undergraduate degrees are vocational programmes, for example, in engineering, architecture, medicine and healthcare.

Skills are a critical part of the operations and development of any organisation, and there is a need to have clarity around the levels of investment to ensure the skills base of a business and the individuals which make it up are progressing their competence on a regular basis. This also includes the design of quality jobs. Job design is a key organisation capability and still is to be found in the more progressive and successful businesses. Developing the "capacity to improve" within every individual and across a business is a key measure of its resilience and ability to take on new technologies, new practices, etc.

Finally, while the article talks of the fragmented and uncoordinated UK skills system, it fails to venture outside of England for most of its observations and comment. Skills England is just for England, and does not fill the void left by the closure of the UK Commission for Employment and Skills, which took a four-nation perspective. Scotland has made excellent progress on skills under the leadership of Skills Development Scotland with its integrated skills strategy supporting both economic and social goals. There is much to be learnt by looking across the UK.

**Michael Cross**  
Portsmouth, UK

### Offer some human warmth

If the winter fuel payment is maintained, and if the answer to the question, "Will you be warm without it?" is yes, then give it to charity. Means test it yourself.

Keep it, or give it.  
**D Lucas**  
West Sussex, UK



Gold and bitcoin could be likened to the fable of the tortoise and the hare

### Sustainability strategies have become a necessity

According to George Hammond, the outlook for start-ups is bleak right now ("Start-up failures rise 60% as founders face hangover from boom years", FT.com, August 19). In many ways, he's right. With the rate of bankruptcies higher than ever before, founders may be questioning whether it's worth it. It is.

That said, start-ups should be tackling globally relevant challenges. Successful founders and leaders will be the ones guiding businesses towards a more sustainable future.

Over half (54 per cent) of CEOs view sustainability issues as a higher priority than a year ago. Not only is this good for the soul, but it's also a great business decision. With investors prioritising environmental, social and governance (ESG) factors, start-ups that adopt sustainable practices can differentiate themselves, attract funding, and increase revenue by over 10 per cent.

Sustainability as a strategy requires nurturing a culture of continuous learning and innovation. Leaders must cultivate adaptability and critical thinking – skills essential for driving impactful change and navigating the complexities of sustainable business practices. These "human skills" are key to building resilient organisations that will thrive amid economic and environmental challenges.

Embracing sustainability isn't just about ethics; it's a strategic necessity for enduring success in today's market. Start-ups that ignore this may struggle to survive as consumer and investor expectations evolve.

**Thomas Funke**  
Co-CEO, Tomorrow University of Applied Sciences, Berlin, Germany

### Belief underpins power of the American dream

Gillian Tett's article "The American dream needs an update" (Opinion, August 23) was very telling to me.

As a young Frenchman in his early twenties who had seen too many Westerners, I went to America in the early 1980s to experience this American dream – and to remake or actually make myself.

My move was driven by values, principles and indeed better opportunities at all levels. I studied there and enjoyed my first job in New York, something not so common at the time given my background. Looking back I realise that whether the American dream existed or still actually exists is not the key point. You have to believe in it strongly which helps you make your own American dream.

While I eventually left for the City of London and then focused on central and eastern Europe for three decades, I always felt "American" at heart, driven by the dream I shaped for myself and the belief that anything was possible if one wanted it.

**Serge Desprat**  
Prague, Czech Republic

### A character study in gold and bitcoin is revealing

Recall the story of the tortoise and hare race, but this time it is centred around gold and bitcoin as the main characters. That sleeping hare must be bitcoin, because it had already reached a historical peak three years ago in 2021. The trend of gold over the past five years has been very stable but, in comparison, it is a tortoise.

So if the tortoise and hare race again, who will win? Can gold rise to \$4,000 within this year? Can bitcoin break through \$80,000?

Recently, although bitcoin has fallen to \$50,000, gold has just risen to \$2,500. This reminds people that although bitcoin has no intrinsic value it is surpassing the assets of gold.

With the tense situation between Russia and Ukraine, gold may rise to \$4,000.

Returning to our "tortoise-hare race". If the hare doesn't slack off, of course it will win. But what if there is a river on the road? The hare can't swim, so the tortoise can help. They can co-operate: the hare carries the tortoise on land, and the tortoise takes the hare across the river in the water.

So in the long run, if virtual currencies want to replace the currently most circulating US dollar, they may need to have intrinsic value like gold.

**Wei Jingui**  
Yuzhong District, Chongqing, China

### Strictures around placebos are hard pills to swallow

The results of clinical trials of Lykos Therapeutics ecstasy were criticised by the US Food and Drug Administration, despite positive results with PTSD, because of "failing to ensure that participants were not biased by knowing they had taken the drug instead of a placebo" ("Lykos founder exits after ecstasy blow", Report, August 16).

I'm not sure there is any substance that can fool a participant into thinking they have taken ecstasy when in fact it is a placebo having no effect. Perhaps they should do trials with alcohol to see whether participants can tell if they are drinking half a bottle of whisky or just coloured water to see whether alcohol gets you drunk? Of course a dummy treatment with a placebo is necessary for the integrity of most medical research results but that is simply impossible in cases when you are working with any substance that will have a pronounced psychoactive effect. The participants will know within half an hour of taking ecstasy whether they have been given a placebo.

**Craig Sams**  
Hastings East Sussex, UK

### British employers fall behind on training staff

According to the Learning and Work Institute, UK firms spend half as much per employee as their EU counterparts (Big Read, August 20). The country needs them to step forward with an increased appetite for training their staff. This includes creating apprenticeships for young people entering the workforce (it is a national disgrace that 900,000 people between the ages of 16 and 24 are not in employment, education or training).

However, the UK government will need to protect apprenticeship spending, including for SMEs, and prevent firms from directing limited funding from the growth and skills levy into the easiest-to-spend-on programmes, which often have little to no impact on productive skills.

This requires the government to hold the line on funded training being a joint endeavour between the learner, employer and training provider (of whatever type) and to embrace the increase in public spending that this will require, rather than by trying to fund specific types of institutions.

A relatively small initial outlay will ignite a positive fiscal loop. Greater skills feed higher productivity, which will be rapidly reflected in growing GDP and tax receipts.

**Ben Rowland**  
CEO, Association of Employment and Learning Providers, Bradely Stoke, South Gloucestershire, UK

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## Opinion

## Central banks should raise the bar for intervention

## FINANCE

Raghuram Rajan



Few would begrudge the mildly celebratory tone in US Federal Reserve chair Jay Powell's speech at Jackson Hole on Friday. Dire predictions that the Fed would have to raise policy interest rates and unemployment sky high in order to bring inflation under control have not been borne out.

Of course, the Fed cannot yet declare mission accomplished, and it may be that the last mile is hardest given ongoing services and housing inflation. But the American central bank has come a long way from the 9 per cent CPI inflation in June 2022 to the below 3 per cent read last month. As we try to understand how this happened, there remains a potential risk we cannot ignore.

The pandemic and the war in Ukraine

disrupted supply. The pandemic also initially skewed demand for goods, and then for services as economies opened up. The resulting imbalances caused inflation. Much of the subsequent disinflation has occurred because supply and demand imbalances readjusted naturally, without Fed influence.

However, over and above all this, the level of demand expanded post-pandemic because of confident household spending and the huge, and continuing, fiscal spending by the US government. The Fed's higher rates played a part in curbing some of this demand – new housebuilding has come down significantly since the central bank started raising rates.

In other sectors like automobiles, however, sales have risen since the Fed began to raise rates. That the Fed's efforts to contain demand are only part of the story is corroborated by the Chicago Fed's financial conditions index, which provides a summary of how tight money markets, debt and equity markets and the traditional and "shadow" banking systems all are. In fact the index is easier today than its average

this century, at a time when the Fed suggests its policy is quite restrictive.

The reason the Fed has not had to constrain demand more is that the US economy has benefited from an expansion in supply due to immigration and productivity improvements. So disinflation has been accompanied by steady growth, with the economy thus far on course for the proverbial "soft landing".

**Economic stabilisation may, paradoxically, raise the chances of financial instability**

Anticipation of such an outcome partly explains why financial markets have not responded adversely to the Fed's tightening.

There is another reason, though. Over the benign pre-pandemic period of easy financial conditions, while household and corporate debt fell relative to GDP, a number of financial players tried to goose up returns by taking on additional

financial risk, leveraged further with borrowing. Sometimes the leverage was implicit in the kinds of investment or trading strategies pension funds and hedge funds adopted. When the pandemic hit in March 2020, this prompted a "dash for cash". Central banks came to the rescue by expanding money-like reserves hugely, cutting rates and establishing extraordinary lending programmes.

Consequently, explicit and implicit financial sector leverage never really came down. Even as central banks turned to withdrawing accommodation through rate increases and shrinking their balance sheets, they have not been averse to stepping back in. When mid-sized US commercial banks got into trouble in March 2023, the Treasury implicitly insured all uninsured deposits, while the Fed and the Federal Home Loan Banks lent freely, thus stopping the panic. Most recently, as Japanese markets tumbled, Bank of Japan governor Kazuo Ueda indicated the BoJ would not raise rates if markets were unstable.

Usually, it takes an economic downturn or a financial panic to purge excess

leverage from financial markets. If central banks achieve a soft landing, markets will have seen neither even as they are further buoyed by rate cuts, which will prompt further leveraging. With central banks continuing to shrink their balance sheets, the system's leverage to cash ratio will keep growing, raising the chances of a sharp reaction to any bad news – be it a worrisome turn in the trade wars, a troubling presidential election, or geopolitical tensions. Economic stabilisation may, paradoxically, raise the chances of financial instability.

None of this, of course, is to suggest that central banks should engineer an economic downturn to cleanse the financial system. It does mean, however, that they should raise the bar on intervening whenever it gets into trouble. As with forest fires, small conflagrations can prevent a larger one. Even as the central bankers at Jackson Hole take a justified anticipatory bow, they should also worry a little about what their achievement will imply.

*The writer is a former central banker*

# Take note, world – the rest are rising again

## MARKETS

Ruchir Sharma



In the 2000s, as a broad economic boom in emerging economies was drawing billions of dollars into their financial markets, author Fareed Zakaria captured this historic moment as "the rise of the rest". Now a similarly encouraging story is unfolding in the emerging world, but few observers have noticed and still fewer foreign investors have acted on this momentous shift.

A major comeback is under way. After weakening sharply in the past decade, emerging economies are rebuilding their growth lead over developed economies, including even the strongest one, the US, to levels not seen in 15 years. The proportion of emerging economies in which per capita GDP is likely to grow faster than the US is on course to surge from 48 per cent over the past five years to 88 per cent in the next five. That share would match the peak of the emerging world boom in the 2000s.

This budding boom differs from the last one in key respects. In the 2000s, the emerging world was lifted up by China's rapid ascent, a massive increase in commodity prices and easy money policies pursued by western central banks. Many commentators assumed "the rest" could

continue to boom en masse, on the back of China's rise, but they would be severely disappointed. In 2012, struck by the excessive hype, I warned of a coming "demise of the rest". Indeed, the next decade was a dismal one for emerging markets – and a great one for the US.

Now, though, many emerging nations are in a much stronger financial position than the US. As an overstimulated superpower, relying on record deficits to power growth, America is on an unsustainable path. Emerging economies have far lower budget and current account deficits, leaving them with greater capacity to invest and drive future growth. Even countries known in the past for financial profligacy, from Turkey to Argentina, have returned to economic orthodoxy.

The fate of emerging nations no longer depends so completely on the largest one. The current revival is driven by nations other than China, whose difficulties (from a shrinking population to heavy debts) obscure the strengths of its emerging world rivals. Beijing's nationalist turn and increasingly fraught relationship with the west have spooked global investors, who have been exiting China and setting up factories elsewhere.

In the coming decade, exports are likely to be particularly strong for green technologies and the raw materials required to build them, like copper and lithium, which are supplied mainly by emerging nations. The AI boom is already boosting exports from suppliers of AI-related chips (Korea and Taiwan) and electronics (Malaysia and the Phil-



Ann Kiernan

ippines). Investment is increasing in many emerging markets, drawn to a menu of strengths – India's large domestic market, Malaysia's fertile environment for data centres and Mexico's proximity to the US.

As economic growth picks up, corporate earnings tend to follow. Exclude China, and earnings are currently growing at an annual pace of 16 per cent in emerging markets, versus 10 per cent in the US. In the second quarter of this year, for the first time since 2009, corporations in emerging markets (excluding China) beat earnings forecasts by a wider margin than their US counterparts did. Profit margins have been improving in emerging markets and stagnating in the US for 18 months now.

Global stock market investors,

**This will mean a good decade for emerging nations but led by a select group of stars**

mesmerised by megacap American tech companies, have yet to respond. The action has all but dried up in most emerging stock markets, with trading volumes in many countries near 20-year lows. Among the few emerging markets posting competitive gains are those, such as India and Saudi Arabia, that have a strong and rapidly expanding base of domestic investors.

Still, there are signs of a coming shift. America's growing reputation as the world's most irresponsible deficit spender – a financial empire that takes its reserve currency status for granted – threatens to undermine the dollar. In recent weeks, the US currency has finally started to break lower, which historically has led to greater capital flows to emerging markets.

After a long sojourn in the shadows of the US, emerging markets are an increasingly attractive bargain. Though they are back to posting faster earnings growth, they trade at record low valuations relative to the US. For 15 years, the US delivered superior earnings growth driven mainly by big tech, but that is

turning as well. Earnings growth of the "magnificent seven" US tech firms is now expected to fall by more than half in the coming year. Of course, it has never made sense to lump emerging nations together in one faceless bundle. The rise of the rest will mean a good decade for emerging nations on average but led by a select group of stars, each drawing strength in different ways from the favourable trends in global trade, the dollar, economic reform and new political leadership.

Recall that until recently, many commentators were warning that, following the shock from the pandemic, the emerging world was vulnerable to serial crises. Expectations remain so low and fears so high that emerging markets are off the radar of most global investors. But that is the nature of comebacks. They emerge from obscurity, and the deeper the shadows from which they spring, the more drama surrounds the comeback – once it is recognised.

*The writer is chair of Rockefeller International*

## To succeed, the EU must be a pole of economic attraction

## EUROPE

Martin Sandbu



Although some in Brussels are hard at work preparing for the political *rentrée* – a new European Commission will soon be presented by commission president Ursula von der Leyen for parliamentary scrutiny – the still of summer continues to envelop much of Europe.

So before the new five-year EU political cycle starts, take a moment to contemplate what success would look like once it is over.

The first marker of successful change would be an EU that is more reckoned with in the world, a bloc whose choices affect how things go elsewhere and must be accommodated by other powers. That will not be the result of more spending on defence or a more coherent

common foreign policy, necessary though both are.

If it happens, it will be by restoring the EU as a pole of economic attraction. In five years, judge the EU on how much leaders not only in its neighbourhood, but also across Asia, Africa and Latin America, have chosen to orientate their countries towards Europe. In addition to recovering growth and investment at home, that presupposes the EU credibly inviting others to genuinely share in its prosperity if they ally themselves with its values and broad interests.

This requires fast progress on existing commitments: from finally ratifying the trade deal with the Mercosur bloc of South American nations to rapidly integrating Ukraine and the Balkans into EU markets and structures on a steady road towards membership.

But it also means coming up with both new funds and institutional structures to persuade countries where membership is not on the horizon that increasing their interdependence with the EU is their best bet. That demands infrastructural ambitions that truly match – indeed outmatch – China's Belt and Road Initia-

tive, and also granting much deeper market access in return for greater adoption of EU rules and standards.

The second marker would be a more powerful budget for the bloc. As a rule, the inordinate amount of time spent negotiating the EU's seven-year "multiannual financial framework" is only matched by the smallness of the funding reallocations those talks results

**In five years, judge the bloc on how much leaders have chosen to orientate their countries towards it**

in. The next MFF, due to start in 2028, must be different.

Budget talks will start with one advantage: it is now well understood that the next common budget faces very different concerns from earlier ones, including massive investment needs for decarbonisation, energy, defence and broader geopolitical security, and preparedness for Ukrainian EU membership. Only

one compromise can achieve this. Net contributors must accept a significantly bigger budget than the traditional 1 per cent or so of EU national income, and net recipients must accept a root-and-branch reform of spending, with much more targeted and results-driven allocations of funds towards common European needs – even if this entails less redistribution from rich to poor states.

A third achievement would be a much more unified pan-European economy. A legislative patchwork still fragments the EU's supposedly single market. My ideas for how to clean it up were set out in a recent report by Enrico Letta and more will no doubt feature in a forthcoming one on competitiveness by fellow former Italian prime minister Mario Draghi. (It's a welcome sign that von der Leyen promises a simplified regulatory "28th regime" to let companies scale up easily rather than navigate 27 national ones.) But it is also necessary to physically bring the continent's countries closer together – with much better road, rail, energy and digital connectivity.

It is easy to agree on these three aspirations. It is harder to agree on the steps

that would take the EU there, since each single reform will create local losers. That makes them unlikely to be realised – unless two conditions are met.

First, the commission must be willing to use up political capital on pushing more change through without consensus so long as it has sufficient majorities. A case in point is the Mercosur trade deal: it is overdue to push for a vote among member states and dare France and its few allies to put together a blocking minority.

Second, enough national leaders must be mature enough to pursue, and explain to their citizens, the overall prize. In a truly successful five-year EU cycle, many national special interests will be outvoted, but the combined changes will make all better off.

The EU's motto is "united in diversity". Applying this to the bloc's internal decision-making means embracing more divisive processes for the sake of Europeans' common interests. Casting your mind into the future and looking back will make that easier.

*martin.sandbu@ft.com*

## Maths education is failing UK students

Bobby Seagull

If you are paid £9 per hour, what would your hourly rate be if you received a pay rise of 5 per cent? If you correctly answered £9.45, you're in the top half of the UK's adult population.

Unfortunately, research from the charity National Numeracy (where I am an ambassador), shows that nearly half of all working adults in the country have numeracy skills no better than those we'd expect of an 11-year-old schoolchild. Coupled with recent GCSE trends, this is a gloomy outlook. In England, students need maths (and English) GCSEs at a minimum of grade 4 to qualify for further study. Results this week show that maths papers graded 4 or above have fallen to 59.5 per cent, down from 61.1 per cent last year. (Eagle-eyed analysts will observe the pass rate for 16-year-olds was 72 per cent, meaning the total was dragged down by older students resitting exams).

How can these results be improved? Perhaps maths teaching should be more inspiring and relevant. Outside Stratford station in east London, I recently bumped into a former student who said, "Mr Seagull, you were a lit (Gen Z for excellent) maths teacher, but we didn't learn things that matter to us."

There is an intrinsic beauty in understanding the mathematical forces that underpin our world. But some students might need persuading that abstract algebraic notions or the allure of prime numbers is actually useful.

Certainly these skills are not the same as numeracy, an essential subset of the discipline. Numeracy skills enable

**Some may need persuading that abstract algebraic notions or the allure of prime numbers is useful**

adults to have confidence in day-to-day life when working out discounts in shops, checking recipe ingredients, budgeting for holidays or calculating loan repayment rates.

For young people, numeracy can easily be taught by strategising the values of football players during their Fantasy Premier League or calculating the overall cost of Taylor Swift concerts.

As a maths teacher for 10 years, I've always believed talent is equally distributed but opportunity is not. It deeply saddens me that regional educational divides are widening. The worst-performing region in these GCSE results, the West Midlands, was nearly 10 percentage points below London.

The CEO of the Northern Powerhouse partnership says that this gap largely reflect "differences . . . in the proportions of long-term disadvantaged children by region". While the previous government's phrase "levelling up" has now been retired, maths education doesn't exist in a vacuum. It reflects wider societal conditions.

Amid all this gloom, you may be surprised to learn that maths has been the most popular A-level subject for a decade. More than 100,000 teenagers took the exams this year. Despite that, the overall proportion of students studying maths at university has shrunk, leading to several universities cutting provisions and closing departments, according to the Campaign for Mathematical Sciences. This will further destabilise the supply of maths teachers. One in eight maths lessons are already taught by someone without a maths degree and almost half of all secondary schools are using non-specialist teachers for maths.

Given that half of children judged to be falling behind at age five end up not passing their GCSEs and around 80 per cent of young people "fail" resits on their second attempt, the system is clearly not working.

The UK has to tackle a broader cultural issue where it is deemed acceptable to say you can't do maths. Yes, the subject can be tricky, but all of us can learn to be confident and competent in it, especially when it comes to using numeracy in our day-to-day lives.

The curriculum is in desperate need of an update. Financial and data literacy must be included if we are to ensure that our young people become mathematically literate citizens able to compete in the modern world.

*The writer is a maths teacher, author of 'The Life-Changing Magic of Numbers' and co-host of Maths Appeal podcast*



## Seasonal challenge

The secret to ensuring talented staff return the next summer

WORK & CAREERS

## The science of saying no at work



Pilita Clark  
Business Life

There were once four scientists who decided to take a systematic approach to honing one of working life's great skills: the art of saying no. With workloads heading to burnout levels of busyness, they agreed that in the space of one year, they would collectively turn down 100 work-related requests and track what happened as a result.

Having drawn up a spreadsheet to record what each passed up and why, and how they felt about it, they set about declining a raft of requests to review journal articles, write grant proposals or run more things at work. Together, they also turned down 31 speaking invitations – fewer than the 43 talks and guest lectures they still gave.

It took them 10 months to rack up their 100th "no", or roughly 25 rejections each, by which time they had learnt several things. First, the act of tracking your work itself makes it easier to say no, partly because you get a better idea of everything you're doing.

Also, a firm rejection is better than a "soft no" because agreeing to, say, give a talk in a few months' time, or review a paper instead of co-writing it,



Kenneth Andersson

invariably leads to bigger asks later. And there are useful rules to adopt, such as "does this fit with my work?", "does it spark joy?" and "can I do it without messing up existing commitments?"

The four academics – all environmental social scientists and all female – wrote about their year in a 2022 Nature science journal article, which I recommend. But one of their discoveries has stuck with me: they had no regrets about saying no.

They did routinely feel guilty and they worried about letting others down – despite visible evidence of the substantial commitments each had made. Yet they also felt their fears of missing out, or suffering reprisals, were unfounded.

I was curious to know if this was still the case two years on. When I contacted one of the four last week to ask, I found that not only did they still

**“There are useful rules to adopt, such as ‘does it spark joy?’, and ‘can I do it without messing up existing commitments?’”**

have zero regrets, they were doubling down on saying no. Or rather, quadrupling.

"One of our big takeaways was that 100 declines collectively is great but it's not enough," said AR Siders, an associate professor at the University of Delaware's disaster research centre, who researches climate adaptation. "We're trying for 100 each in the year ending December 2024, so together we should say no to 400 things."

Siders had so far managed 34 declines, putting her behind the other three who had recorded 37, 51 and 54.

But she was pleased to have beaten the 25-odd "nos" she achieved the last time. She put this down to strategies she adopted to make rejections easier, such as limiting the number of peer reviews she writes to two for each journal article she takes part in submitting.

She is also trying to cap the number of speaking invitations she accepts. And crucially, she is trying to whittle down big commitments that affect how well she can work, such as research projects, not just smaller things like talks.

"So even though I might say no less often, I'm saying no to bigger things and it's making a difference," she says.

When she fell ill recently she had enough slack in her schedule that getting sick didn't throw everything into disarray.

I find all this instructive, especially for women, who often find it hard to say no to far more thankless requests than giving a talk. Female employees are statistically more likely than men to be asked to do mentoring, training and other time-eating "non-promotable tasks". They are also more likely to do them, according to four different female academics who wrote a 2022 book about the problem, *The No Club*.

Prof Siders had not heard of the book until after she and her colleagues published their Nature article. But the coincidence doesn't strike me as that odd, considering the expectation on so many women to say yes to extra work.

Either way, as a recovering yes-person, I intend to keep one idea in mind from a member of Siders' group. Work opportunities always seem lovely in the beginning. But just as cute babies grow up to be teenagers, and puppies become big dogs, you have to remember they will ultimately end up needing a lot of hard work.

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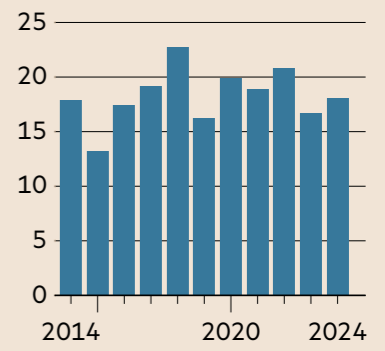
# Lex.

## Fertility roll-ups give birth to private equity opportunities



### Private equity healthcare deal multiples

Average enterprise value/ebitda multiples



Source: PitchBook

Baby making is proving fertile ground for private equity. Big operators in the field, including the UK's CARE Fertility, Europe's GeneralLife and Theramex are all in the hands of financial sponsors – respectively Nordic Capital, KKR and a consortium of PAI and Carlyle.

No wonder. This is a highly fragmented industry pairing resilient income with healthy growth. By rolling up clinics bought from small chains or retiring doctors looking to cash out private equity brings scale, splashy marketing and cross-fertilises knowhow. Growth looks assured as people start families later.

Half a century on from the birth of the first "test tube baby", 2.5 per cent of US births are via IVF, according to the American Society for Reproductive Medicine. In China one in five babies last year was assisted, says Jinxin Fertility.

Results, and not just for investors, appear supportive. Academics Ambar La Forgia and Julia Bodner, in independently backed research, found that acquisition by a fertility chain lifted IVF success rates by 13.6 per cent. Multiple births, which carry more risks, fell. This, they suggest, may reflect the benefits of both shared best practices and more financial muscle.

That is at odds with the more usual

story of the gobbling up of healthcare chains such as care homes by private equity, where fees rise and quality is generally thought to fall. One possible reason is the client base: healthier, relatively well-off people rather than the more vulnerable, ill or elderly.

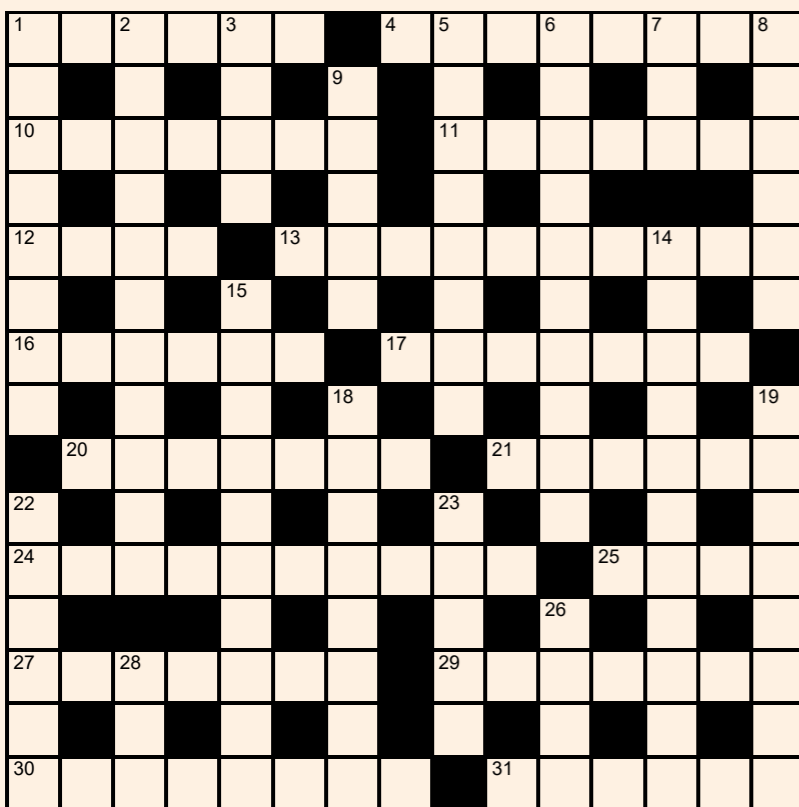
But as with other sectors, the tendency is to stay private for longer, a luxury afforded by bountiful venture capital. Exit opportunities look patchy. A lot is pass-the-parcel: CARE Fertility, GeneralLife – which went on under KKR to buy another clinic Livio – and drugmaker Theramex have all been flipped at least once. Virtus Health listed on the Australian market in 2013 but was back in private hands nine years later, at only a third or so over the initial public offering price.

By rolling up clinics – and even opening their own from scratch – financial sponsors have become the trade buyers.

As that suggests, public markets have not proved terribly receptive. Fertility benefits company Progyny listed in 2019 below its proposed price range and has since lagged the broader market. Hong Kong-listed shares in Jinxin Fertility, which concedes to "bottlenecks and difficulties", are now worth not much more than a quarter of the float price. Private equity looks set to remain the sector's main breeding ground.

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### CROSSWORD No 17,825 by MOO



Solution 17,822



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### JOTTER PAD

#### ACROSS

- Get down with His Majesty? That's a sore point (6)
- I bad-mouth a Cypriot maybe (8)
- It could be an opinion piece in the *Guardian*? (7)
- Hurried to grab first man, running back fast (7)
- Praise faculty in speech (4)
- Pal thus making erotic entertainment? (3,7)
- Park employee, new arrival losing way (6)
- Worried you might find Rosemary here? (2,1,4)
- Cambridge University admitting old lady, an expatriate (7)
- Mistake by model, troublesome youngster (6)
- Constituent and I get dinner out (10)
- Long time spent in a stupor, might one say? (4)
- First articles set before a non-believer (7)
- New queen a cracker – but a little obsessive? (7)
- A seaman said to be the mugger? (8)
- Seed of a never-ending comic strip? (6)

#### DOWN

- Risky holding royal personage in court (8)
- Bill can be so wonderful! (11)
- American leaving drink, the clown (4)
- Second nuclear missile demanding attention (8)
- A department head covering up department's conduct (10)
- Old man having heart transplant? It won't work (3)
- Break promise, trapped by Chinese general on way north (6)
- Two males, one with no need for Viagra? (2-3)
- Predictable condition of Iberian into rum (11)
- Individual in residence breaking court order (6,4)
- Too inept to move stealthily (2,6)
- Senior officer supports head of state on Panama, perhaps (5,3)
- Capital of country held by army once (6)
- Ridiculous episode beginning and ending like this (5)
- Lake where vicar's lost in daydream (4)
- Enjoys shiatsu every now and then (3)

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