NATIONAL NEWSPAPER OF THE YEAR

FT Weekend

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AstraZeneca ditches vaccine plant

● Pharma group junks £450mn plan ● Wrangle over state support ● Blow to growth agenda

ANNA GROSS, HANNAH KUCHLER AND GEORGE PARKER

AstraZeneca has cancelled a £450mn vaccine manufacturing plant after months of wrangling over state support for the project, dealing a blow to the government's growth agenda.

Sir Keir Starmer's government had initially sought to reduce the amount of public money promised to the project near Liverpool from about £90mn to £40mn. Officials put forward a revised offer for the site at Speke this month that was significantly higher than the £40mn, according to people familiar with the matter.

But AstraZeneca said yesterday: "Following protracted discussions with the government, we are no longer pursuing our planned investment at Speke. Several factors have influenced this decision, including the timing and reduction of the final offer compared to the previous government's proposal."

The plant was going to make the next-generation of flu vaccines and help UK resilience against future pandemics.

The existing Speke site will continue to produce and supply a flu vaccine, said AstraZeneca, the largest UK-listed company by market capitalisation.

The decision comes just days after chancellor Rachel Reeves sought in a speech on growth to position the UK as an attractive place for life science companies to invest.

Starmer and Reeves have faced criticism from business for their £40bn tax-raising Budget last year and other measures including stronger worker rights. Executives have warned they will make the UK a less attractive place to invest.

Andrew Griffith, shadow business secretary, said: "There's no vaccine for incompetence. In the same week they talked about growth, Labour seem to have fumbled a deal with AstraZeneca, [a company] central to the critical life sciences sector."

The previous offer to the pharmaceutical group under then Conservative chancellor Jeremy Hunt included up to £70mn in grants to develop an existing AstraZeneca vaccine facility at Speke, as well as £20mn in research and development support from the UK Health Security Agency.



Keir Starmer's government initially sought to reduce the sum of public money pledged from £90mn to £40mn

Hunt told the Financial Times that AstraZeneca's decision was a "massive own goal by the government".

The Treasury said: "A change in the make-up of the investment originally proposed by AstraZeneca led to a reduced government grant offer being put forward. All government grant funding has to demonstrate value for the taxpayer and unfortunately . . . it has not been possible to achieve a solution."

Beijing bunker
China digs out vast war room

A satellite image obtained by the Financial Times shows construction of a huge complex near Beijing that US intelligence believes will serve as a Chinese military command centre far larger than the Pentagon.

The 1,500-acre site 30km south-west of Beijing features deep holes that military experts believe will house reinforced bunkers designed to protect leaders during any conflict, including, potentially, nuclear war.

The development is under way as the People's Liberation Army develops new weapons and projects ahead of the force's centenary in 2027.

Command post page 4



Planet Labs



Trade war fears as Trump pushes ahead with tariffs

Donald Trump will carry out his threats to impose steep new tariffs on Canada, Mexico and China this weekend, the White House has said, in a move that could trigger the first trade war of his presidency. Canada and Mexico face 25 per cent tariffs, while China faces a 10 per cent levy. 'The president has made it clear,' the US said. 'Starting tomorrow, those tariffs will be in place.'

Bosses fall in line ▸ PAGE 3

Ursula von der Leyen & Christine Lagarde ▸ OPINION, PAGE 8

City urges Reeves to curb cash Isas in bid to divert more savings into stocks

GEORGE PARKER, EMMA DUNKLEY, AKILA QUINIO AND JAMIE JOHN

Rachel Reeves has been urged to scale back tax breaks for cash Isas, a form of saving beloved by millions of Britons, in an effort to boost the City of London and the economy by channelling money into stocks.

Companies including the insurer Phoenix and the London Stock Exchange Group have told the chancellor that almost £300bn held in cash Isas could generate better returns for savers if invested in stocks and shares, while supporting the City's equities market.

One senior banker said the issue had been raised by several finance executives at a recent meeting with Reeves and that she had not rebuffed the idea.

"The state should not be giving a tax break for us all to park our money in cash," said Andy Briggs, chief executive of Phoenix, which operates the Standard Life brand, who was at the meeting.

Different Isas are available, including a product for cash and another for stocks and shares. Scrapping the cash Isa would be the biggest shake-up since Isas were introduced by Labour chancellor Gordon Brown in 1999.

Cash Isas allow savers to earn tax-free interest on up to £20,000 a year and are by the far the most popular. Analysis by financial platform AJ Bell of HMRC data for 2022-23 showed that £431bn of the £726bn held in adult Isas was in stocks and shares, with the remainder in cash. About 14mn of the 22mn Isa holders held cash accounts alone.

People close to the discussions said that Reeves would be reluctant to change a popular form of saving but the idea had not been ruled out. "They are quite important products for a lot of people so changing cash Isas would be quite a big deal," said another official.

Steven Fine, chief executive of investment bank Peel Hunt, told the Financial Times that he had "been in touch" with the Treasury about Isa reform, "ideally to limit or remove cash, with the balance in listed stocks and shares".

Banks earn fees by helping companies sell shares to retail and institutional investors, while asset managers have suffered in recent years from investors pulling money from equity funds.

The Treasury said: "We want to help people save for their future goals and build greater financial resilience across the country. We keep all aspects of savings policy under review."

The LSEG said that it "was not at the meeting with Reeves where the topic of ISAs was discussed".

World Markets

STOCK MARKETS

	Jan 31	Prev	%chg
S&P 500	6100.79	6071.17	0.64
Nasdaq Composite	19518.21	19681.75	1.20
Dow Jones Ind	44872.11	44882.13	-0.02
FTSEurofirst 300	2146.83	2144.78	0.10
Euro Stoxx 50	5280.98	5292.21	-0.03
FTSE 100	8673.06	8646.88	0.31
FTSE All-Share	4710.58	4693.95	0.36
CAC 40	7938.92	7981.84	-0.13
Xetra Dax	21725.09	21727.20	-0.01
Nikkei	39572.48	39513.37	0.15
Hang Seng	20225.11	20197.77	0.14
MSCI World $	3853.49	3828.45	0.65
MSCI EM $	1095.75	1092.31	0.32
MSCI ACWI $	872.59	867.30	0.62
FT Wilshire 2500	7855.23	7807.13	0.62
FT Wilshire 5000	61665.30	60716.30	0.62

CURRENCIES

Pair	Jan 31	Prev	Pair	Jan 31	Prev
$/£	1.046	1.043	£/$	0.962	0.960
$/€	1.243	1.247	£/$	0.805	0.802
£/€	0.837	0.837	€/£	1.195	1.195
¥/$	154.856	154.135	¥/€	193.015	188.787
¥/€	192.498	192.164	£ index	93.524	93.359
SFr/€	0.944	0.946	SFr/£	1.128	1.131

CRYPTO

	Jan 31	Prev	%chg
Bitcoin ($)	104843.93	104024.00	0.79
Ethereum	3398.72	3213.40	5.77

COMMODITIES

	Jan 31	Prev	%chg
Oil WTI $	72.93	72.73	0.27
Oil Brent $	76.09	75.89	0.26
Gold $	2787.25	2756.30	1.12

GOVERNMENT BONDS

Yield (%)	Jan 31	Prev	Chg
UK 2 yr	4.21	4.22	-0.01
US 10 yr	4.52	4.53	-0.01
US 30 yr	4.77	4.77	0.01
UK 7 yr	4.71	4.75	-0.03
UK 10 yr	4.64	4.66	-0.01
UK 30 yr	5.13	5.13	0.00
JPN 2 yr	0.72	0.71	0.01
JPN 10 yr	1.24	1.21	0.03
JPN 30 yr	2.28	2.27	0.02
GER 2 yr	2.12	2.21	-0.09
GER 10 yr	2.46	2.52	-0.06
GER 30 yr	2.71	2.76	-0.04

Prices are latest for edition
Data provided by Morningstar

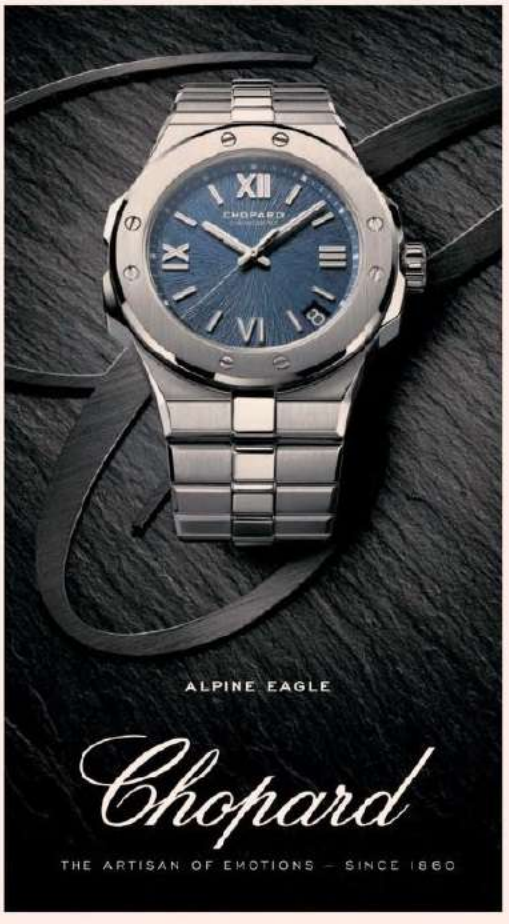
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'US-China? This could go bad'
Jake Sullivan
LUNCH WITH THE FT



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Where 'woke' went wrong
How a revolution was reversed
LIFE & ARTS



NATIONAL

England

Farmers warn over push to go green

Almost a tenth of land needs to be switched from agriculture, report urges

MADELEINE SPEED

Almost one-tenth of England's farmland will need to be converted to low-carbon use such as woodland or heath by 2050 in order for the country to hit its climate targets, according to government estimates published yesterday.

About 760,000 hectares — or 9 per cent of England's farmland — will need to "change away from agricultural land for environmental and climate benefits", it said. A further 9 per cent will need to change to accommodate climate benefits, such as sustainable farming practices.

The National Farmers Union has warned that the sector is already being forced to scale back food production in favour of alternatives such as rewilding or growing crops for biofuels in order to keep businesses viable.

Losing additional farming land would also increase the UK's dependence on imported foodstuffs.

The estimates were part of a consultation on a long-awaited "land use framework" that aims to balance competing demands on England's land, from housing and renewable energy to food production and nature restoration.

"The primary purpose of farming will always be to produce the food that feeds the nation," said environment secretary Steve Reed. He stressed that the framework would help decision makers protect "our highest quality agricultural land and make decisions about the long-term future of farm businesses".

Alongside the estimates, the government said any impact on food production from the land use changes could be offset by using technology and sustainable farming techniques to increase crop yields.

Successive governments have shied away from embarking on the framework over fears of a backlash it would receive from farmers.

NFU president Tom Bradshaw said: "We must have a land use plan in place, underpinned by sound science and evidence, that has British food at its heart."

But Victoria Vyvyan, president of the Country Land and Business Association, called for safeguards to prevent "mission creep" from officials, warning farmers could be told "what they are and aren't allowed to grow, plant and rear on their land". She added: "Whenever the state gets involved, its tendency is to only become ever more prescriptive. Today, the framework might be light touch, but tomorrow it won't be."

MP Alistair Carmichael, chair of the cross-party environment, food and rural affairs committee, said the framework was "long overdue". "Farmers need to be able to plan ahead and they and other stakeholders have long called for clarity amidst a myriad of often conflicting demands," he added.

Two-thirds of England's land is agricultural, according to official statistics, with 38 per cent made up of arable land and 29 per cent grassland. The country's population is predominantly urban, with 83 per cent of people living in built-up areas.

England's farmers are already under pressure from the impact of heavy flooding, high inflation and huge cuts to their subsidies. They also face a shift to a new post-Brexit subsidy scheme that offers them incentives to restore the natural environment, sometimes at the expense of food production.

The Environmental Land Management schemes, or ELMs, provide payments to farmers to adopt sustainable farming practices such as soil management, or take land out of farming all together. Scotland and Wales have separate devolved systems.

The schemes have been criticised by farming groups such as the NFU, which say farmers are being paid to inadvertently lower the country's food production, despite the last government's commitment to food self sufficiency.

The sector has hoped that a land use framework will offer clarity about the intentions behind the farming policy.

Downing Street said: "It's important to be clear that this isn't about the government dictating how land is used, or taking valuable, productive land away from farms.

"The government recognises that land is in high demand, and that is why we are starting a national conversation with those involved, whether it be landowners, farmers, developers and more, about how we use it to its full potential, not least for food production."



'Whenever the state gets involved, its tendency is to only become ever more prescriptive'

Farms need to 'change away from agricultural land for environmental and climate benefits', says a government report

Adrian Dennis/AFP/Getty

Data discrepancy

PM to rely on quirk in US trade figures to skirt Trump tariffs

GEORGE PARKER AND VALENTINA ROMEI

Sir Keir Starmer is using a long-standing statistical quirk to bolster his attempts to fend off Donald Trump's threatened tariffs, relying on US data that shows the UK is one of the few major economies with which America has a trade surplus.

British ministers are focusing on the US data in their discussions with officials in the Trump administration, because its methodology is more helpful to their cause than the UK's own statistics.

"Using America's own trade data provides a shared and strong foundation when engaging in discussions with our American friends," joked one senior British official.

According to US figures, America ran an overall trade surplus with the UK in 2023, amounting to $14.5bn. That puts Britain in a favourable position as Trump threatens tariffs targeting countries with significant deficits.

However, the Office for National Statistics reports that the UK ran a trade surplus with the US of £71.4bn, or around $89bn, in 2023.

Trump has threatened punitive tariffs on countries with which the US runs trade deficits, though his focus appears to be goods rather than services.

While the bulk of the UK trade balance with the US is services, in 2023 the country reported a small goods trade surplus with the US of about $3bn. This still contrasts with the $9.7bn goods trade surplus that the US reports with the UK.

Starmer and Lord Peter Mandelson, the new UK ambassador to Washington, are arguing that Trump should spare Britain from any general application of tariffs given the trading position between the two countries.

The statistics offices across the Atlantic are aware of the differences and have been co-operating to realign the data since 2017. Both highlighted how the differences are larger when measuring trade in services.

Trade asymmetries are common and differences "can be caused by a range of conceptual and measurement variations between the estimation practices of different countries", warned the ONS.

A key issue in the UK-US figures is the treatment of Crown Dependencies, the three offshore island territories in the British Islands that are self-governing possessions of the British Crown. The US Bureau of Economic Analysis includes trade with Jersey, Guernsey and the Isle of Man in the UK data, while the ONS does not. Given that Jersey alone hosts more than 35,000 financial firms managing more than £450bn in assets, this omission has a material impact.

The US reports exporting $4.8bn more in services to the UK than it imports, while the UK claims to export nearly £70bn more to the US than it imports. The UK said the exclusion of the Crown Dependencies from the UK trade data was in line with the European System of Accounts.

The US Statistics Office said it "will explore the feasibility of modifying its data collection instruments to exclude these dependencies from its geographic definition of the United Kingdom". This is something many UK officials might not want to happen just yet.

An analysis by HM Revenue & Customs into US-UK trade asymmetries on vehicles does not seem to settle the issue. Before 2022, US-origin goods that cleared EU customs in another EU country before coming to the UK were counted as European imports. This makes it harder to compare with US data. "This explains the negative asymmetry," the analysis stated.

The study refers to negative asymmetries when US exports of vehicles to the UK are larger than the corresponding UK imports from the US.

From 2022, UK imports from the US on a country-of-origin basis should be comparable with US exports to the UK. "Instead, there is positive asymmetry in 2022, which cannot be explained," concluded the analysis.

Bosses fall in line page 4

Funds surplus

Trustees see little benefit in pension reform plans

MARY MCDOUGALL

Pension trustees warn that allowing companies to access surpluses trapped in defined benefit pension schemes is unlikely to deliver the jolt to the economy that ministers hope for.

The government said this week that lifting the restrictions on companies using money from their DB pension schemes — in excess of what they owe members — would "unlock billions to drive growth".

According to Financial Times analysis of company accounts there are more than 30 companies in the FTSE 100 with DB schemes with surpluses of at least £100mn and a funding ratio of at least 107 per cent. Most declined to comment when contacted by the FT.

Energy company SSE said it was looking at the opportunities the reforms represent, but noted any impact would be relatively small. Schroders said it would use "approximately 10 per cent" of its scheme's DB section's surplus per year to support funding for defined contribution members.

Most schemes can already access surpluses in their DB plans, provided they passed a resolution in 2016 permitting them to do so. But in practice few do. Only £180mn of surplus was accessed by companies between 2018 to 2023, according to government estimates last year. Any surplus extracted is taxed at a rate of 25 per cent, having been lowered from 35 per cent last year.

Where DB and DC pension funds are set up within the same trust, DB surpluses can be transferred to DC members if the scheme rules permit it without incurring a tax charge.

Trade groups have broadly welcomed the government's proposals, provided appropriate guardrails are in place to protect members, but trustees have privately expressed doubts.

"Why would I want to give away my comfort blanket?" said one trustee of a FTSE 100 group pension scheme. He was sceptical of releasing its surplus to executives, noting the scheme was in deficit for many years and a fall in government bond yields could make its funding position more vulnerable.

"It's not going to be the silver bullet that the government hopes for," said another, adding that the total DB scheme surplus was only about £68bn on a buyout basis — the level at which companies can access their surpluses.

"First you have to work out how much to give members, then you have to agree how much to give the company factoring you will have to pay 25 per cent tax," he said.

Robert Gardner, former co-chief executive of pensions consultancy Redington and founder of Rebalance Earth, a flood mitigation investor, said if he were a trustee weighing the return of a surplus to an employer there would be "significant challenges".

"My fiduciary duty is to act in the best interests of members, and the potential long-term risks to them may outweigh the short-term benefits to the employer," he said.

The government estimates roughly 75 per cent of the UK's £1.2tn defined benefit corporate pension schemes are in surplus, worth a total of around £160bn.

Ministers have been working out how to extract money from DB schemes after a rapid rise in interest rates.

Claer Barrett page 10



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Education

Ofsted to press ahead with 'Nando's-style' schools scorecard

ANNA GROSS

Education regulator Ofsted is pressing ahead with plans for a colour-coded scorecard to assess school performance across eight areas that critics have compared to a Nando's spice chart.

Sir Martyn Oliver, chief inspector at Ofsted, will launch a consultation on a new system for assessing schools in England in which single-word judgments would be replaced with one or two-word judgments across eight main areas, according to an internal presentation seen by the Financial Times.

The system would replace the old process where schools were given an overall judgment ranging from "outstanding" to "inadequate", which teachers have long complained was overly simplistic, often unrepresentative and extremely difficult to appeal against.

The eight core assessment areas that schools will be judged against are achievement, leadership and governance, curriculum, developing teaching, personal development and wellbeing, attendance, behaviour and attitudes, and inclusion.

The assessment areas of "preparation for next steps" and "opportunities to thrive" have been dropped since a previous iteration of the scorecard was circulated to stakeholders in November.

The consultation is expected to be launched next week, according to a senior figure in the school sector.

Ofsted did not comment.

The proposals to colour-code the performance designations have faced strong pushback from senior figures in the teaching sector, with some comparing it to the spice-ranking system used by fast-food restaurant Nando's.

"It's still Nando's. It's still lemon and herbs, extra hot," said a senior figure in education, adding that the "profession's going to go wild when they see these plans".

The person noted that the new assessment system created even more areas for schools and teachers to receive "harsh" and anxiety-inducing judgments, and they failed to see how inspectors could make meaningful evaluations across so many areas in a 48-hour visit.

The colours will range from "causing concern" in red to "exemplary" in dark green.

The Labour government scrapped the previous single-word judgment system last year after lobbying from teaching unions, who said the inspection regime put extraordinary pressure on teachers.

An independent review last year criticised Ofsted's handling of the suicide of headteacher Ruth Perry in January 2023, which was linked at the time to a negative Ofsted report that downgraded her school from "outstanding" to "inadequate". The review said the regulator's response to the tragedy was "defensive and complacent". An inquest concluded that the negative Ofsted report had contributed to Perry's death.

FT seasonal appeal

Deadline extended with new £200,000 target

The FT's seasonal appeal in aid of Financial Literacy and Inclusion Campaign "FLIC" and school food charity Magic Breakfast has reached its baseline target of raising £100,000.

The appeal, launched last month, was due to close this weekend. Instead we are extending the deadline until February 7, due to a late intervention from the Rosetrees Trust, which has offered to match-fund donations to help get us to a new £200,000 target.

Proper nutrition via healthy breakfasts at school, such as those provided by Magic Breakfast, boosts the capacity of young people to learn.

FLIC's work boosts young people's capacity to prosper in later life, thanks to the charity's full school curriculum of core financial skills training.

The offer is only valuable if readers donate. So please do consider supporting our work at ft.com/donate. Individual and corporate donations alike will be greatly appreciated.

NATIONAL

Starmer refuses to tear up worker rights bill

Prime minister will listen to business over exact details while some within Labour push for 'serious tooth removal'

GEORGE PARKER, DELPHINE STRAUSS AND JIM PICKARD





On the job: commuters cross London Bridge. Below, Keir Starmer says the bill will aid the economy
Dan Kitwood/Getty Images

Sir Keir Starmer is resisting pressure from business and some within his own party to tear up a new workers' rights bill, even as government officials conceded that details of the policy were still up for grabs.

The prime minister's allies said he was fully committed to the "make work pay" plan, which is seen in Number 10 as essential to tackling low pay, improving insecure employment and raising productivity even though it is expected to cost businesses £5bn.

But senior Labour figures argue it may have to be made more business-friendly in the coming weeks.

"It needs serious tooth removal," said one Labour official close to Starmer. Another influential adviser said: "There is a view in the Treasury and DBT [business and trade department] that this shouldn't upset the growth apple cart too much."

The workers' rights package was a key promise in Labour's manifesto, but business leaders have warned that piling even more costs on to companies will imperil the growth ambitions that Starmer and Chancellor Rachel Reeves have set out as their core mission for the government.

Starmer insisted in the House of Commons this week he would not abandon the principles of the legislation.

"We believe in giving people proper dignity and protection at work," he said, calling the bill "good for working people and good for the economy".

One Starmer aide said: "We want the economy to grow and are prepared to take on the political fights to get that, but we also want some of the proceeds of growth to flow into the pockets of workers, especially tackling low pay and insecure employment."

The aide added: "We have consulted on the application of how we do that. So the measures may adjust to reflect that policy objective, but they will not limit our ambitions."

Ministers are consulting businesses, unions and others on details of the Employment Rights bill, which is due to report to the House of Commons before Easter, in a tense political atmosphere.

Businesses are already smarting from last year's tax-raising Budget and an increase in the minimum wage that comes into force this April, while companies such as J Sainsbury and Airbus have already blamed higher costs for recent job cuts in the UK.

Nicola Smith, director of policy at the Trades Union Congress, said she believed ministers had strengthened their commitment to some parts of the bill, including a near-ban on employers using "fire and rehire" tactics to impose changes in contracts, which the legislation will allow only where a business is close to insolvency.

"From where I'm sitting, we don't see any change of ambition," she added.

The proposals in the controversial package include scaling down zero-hours contracts and giving staff full rights of redress from their first day of employment.

Conservative leader Kemi Badenoch this week branded it the "unemployment bill" and called on Starmer to ditch the entire package.

One compromise will see ministers address concerns that employers could find themselves in endless consultation with unions over unconnected redundancies at different sites under the legislation as currently drafted.

At present, they are required to consult only when they make 20 or more workers redundant at a single site.

Ministers have said they will bring forward amendments to the bill at the next stage of the parliamentary process — and both business and unions believe the timing of this next stage could slip into March.

> 'There is a view in the Treasury and DBT that this shouldn't upset the growth apple cart too much'

Craig Beaumont of the Federation of Small Businesses said two areas of focus for business lobbyists were around the proposals for day one protection against unfair dismissal, and the mechanism of the proposed "ban" on exploitative zero and low-hour contracts. But he acknowledged the FSB was "pitching for the stars" in urging ministers to change the day one right to a protection that kicked in after a year.

Angela Rayner, deputy prime minister and champion of the bill, has told colleagues the idea of improving workers' rights is one of the Labour government's few popular policies, and a key weapon in the party's fight against Reform UK in working class seats.

"The government is committed to implementing day one rights, ending insecurity and strengthening the voice of working people," said a Rayner ally.

Property market

House price growth slows as mortgage rates edge up

VALENTINA ROMEI

House price growth slowed more than expected last month as mortgage rates ticked up and affordability remained stretched, Nationwide said.

The average house price rose to £268,213, up 0.1 per cent from the previous month and 4.1 per cent year on year — less than the annual rise of 4.7 per cent recorded in December.

Economists polled by Reuters had expected a monthly rise of 0.3 per cent and an annual rise of 4.3 per cent.

The figure was "not too surprising given the rise in quoted mortgage rates at the end of last year", said Alex Kerr of consultancy Capital Economics.

Data from the Bank of England this week showed that mortgage interest rates rose in December, with the average rate for a two-year fixed mortgage with a 60 per cent loan-to-value ratio rising to 4.47 per cent, up from 4.39 per cent in November and 4.21 per cent in October.

This was well below its 6.22 per cent peak in summer 2023, but up from 1.1 per cent in mid-2021, meaning mortgage affordability remained stretched.

The BoE is expected to announce a quarter percentage-point cut in interest rates to 4.5 per cent next week. Markets are pricing three rate cuts this year.

Experts say house prices are also being supported by a potential increase in demand ahead of the expiry of a stamp duty holiday. From April, first-time buyers will start paying the levy for properties worth £300,000 or more, instead of £425,000 at present.

The Nationwide bank reported improving housing affordability last year in part thanks to wage growth.

However, someone earning the average UK income and buying a typical first-time buyer property with a 20 per cent deposit would still have a monthly mortgage payment equivalent to 36 per cent of take-home pay — well above the long-run average of 30 per cent.

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WORLD
WEEK IN REVIEW

German opposition leader's migrant bill fails, despite backing of far right

Germany's opposition leader Friedrich Merz failed to push through a migration bill backed by the far right, capping a bruising week for the frontrunner to become chancellor in elections next month.

Merz, leader of the Christian Democrats, had sought to tighten immigration rules with the support of the Alternative for Germany (AfD) party. The bill fell short by 12 votes yesterday. Twelve MPs from Merz's parliamentary group were absent.

The setback came after Merz secured a majority with the AfD for a non-binding motion on migration earlier this week, triggering large-scale condemnation. It was the first time in the country's postwar history that a majority emerged in the Bundestag thanks to the far right.

Hamas frees 8 hostages in ceasefire deal as Israel releases Palestinians

Hamas freed three Israelis and five Thais in the largest hostage release so far in the truce that took effect in Gaza last month. Dozens of Palestinian prisoners were also let out of Israeli jails as part of the deal.

A surging crowd gathered at the handover point in front of the ruins of the house of Hamas's former leader Yahya Sinwar in Khan Younis, unnerving the hostages and prompting an angry rebuke from Israel, which threatened to delay the handover in response.

Three more hostages are due to be freed today in exchange for dozens more Palestinian prisoners.

In total, Hamas is due to release 33 hostages in return for the release of roughly 1,900 Palestinian prisoners under the terms of the first stage of the ceasefire deal.

Stampede at world's largest religious festival in India kills 30 people



Women sit next to belongings of stampede victims at a Hindu festival in northern India, where millions gathered for what is considered to be the world's largest religious event. Police said 30 people died in the crush at the Kumbh Mela in Uttar Pradesh state early on Wednesday and a further 60 were injured.

South Africa warns Rwanda-backed M23 rebels after peacekeepers killed

South Africa warned that further attacks against its peacekeeping forces by Rwanda-backed rebels would be a "declaration of war", as regional tensions escalated following a major new offensive in the Democratic Republic of Congo.

At least a dozen soldiers from South Africa have been killed since the M23 militia last week launched an assault on Goma, capital of North Kivu province in eastern DRC. More than 100 people have been killed in the fighting and another 1.5mn displaced.

South Africa's President Cyril Ramaphosa blamed M23 and Rwanda's national army, which he described as a "militia", for the soldiers' deaths. M23 is backed by Rwandan troops, say UN experts.

Corporate shift

Bosses fall in line with Trump agenda

International groups adjust supply chains in effort to avoid tariffs

ADRIENNE KLASA — PARIS
KANA INAGAKI, MALCOLM MOORE AND LAURA ONITA — LONDON

International companies are overhauling their supply chains and boosting their presence in the US to align with Donald Trump's nationalist economic agenda and minimise the impact of his planned tariffs.

As the US president prepared to levy duties on imports this weekend, top executives from Europe committed to invest more in the US.

"We are being strongly encouraged by US authorities to keep setting up [there]," LVMH's Bernard Arnault said this week. "It is something we are looking at seriously." Europe's second most valuable group makes most of its products in France and Italy but has three plants in the US and has invested billions in its US jeweller Tiffany.

Arnault, who attended Trump's inauguration, said he felt a "wind of optimism" in the US, while returning to France was a "bit of a cold shower".

He and other bosses praised lower US taxes, cheap energy and higher growth, especially compared with Europe.

Wael Sawan, Shell head, said the energy group, the UK's second most valuable listed company, planned to expand its US business.

"I expect we will only continue to grow [in the US] because of the good momentum we are seeing around supportive tax structures and enabling regulations," he told the Financial Times.

While the president uses tariffs to pursue his agenda, beginning with measures against Canada and Mexico, the EU has acknowledged business is hampered by its red tape.

In an FT article today, Christine Lagarde and Ursula von der Leyen, presidents of the European Central Bank and European Commission, warn that regulation is an obstacle to investment, adding "we need to make doing business in Europe cheaper".

The threat of US tariffs is also spurring a rebalancing of investments, according to executives and bankers.

Sweden's H&M was looking to buy more of its products from suppliers near its main markets, including the US, said Daniel Ervér, chief executive. "[We want] flexibility in our supply chain to be able to mitigate potential tariffs. The world is less globalised."

> '[We want] flexibility in our supply chain to be able to mitigate potential tariffs. The world is less globalised'
>
> Daniel Ervér, H&M chief

Zayong Koo, executive vice-president of Korean car manufacturer Hyundai, said last week: "It may take a bit of time but . . . we are definitely trying to localise the production, which will minimise the potential impact from the tariffs."

John Elkann, chair of carmaker Stellantis also flew to Washington before Trump's inauguration, spending four days with the president and officials. Days later, the Fiat and Jeep owner announced a $5bn investment in the US. In December, the group reversed a decision to cut 1,100 jobs at a plant in Ohio.

One European banker said: "Anyone under-represented in the US, or over-represented in Europe . . . would want to make sure they are building the next plant there versus here."

Additional reporting by Ian Johnston in Paris and Ivan Levingston in London

Christine Lagarde and Ursula von der Leyen see Opinion

Intelligence. Satellite images

China builds huge military command post

Construction project in Beijing expected to be wartime centre 10 times bigger than Pentagon

DEMETRI SEVASTOPULO — WASHINGTON
JOE LEAHY AND RYAN MCMORROW — BEIJING
KATHRIN HILLE — TAIPEI
CHRIS COOK — LONDON

China's military is building a massive complex in western Beijing that US intelligence believes will serve as a wartime command centre far larger than the Pentagon, according to current and former American officials.

Satellite images obtained by the Financial Times that are being examined by US intelligence show a roughly 1,500-acre construction site 30km south-west of Beijing with deep holes that military experts assess will house large, hardened bunkers to protect military leaders during any conflict, including potentially a nuclear war.

Several current and former US officials said the intelligence community was closely monitoring the site, which would be the world's largest military command centre — and at least 10 times the size of the Pentagon.

Based on an assessment of satellite images obtained by the FT, major construction started in mid-2024. Three people familiar with the situation said some intelligence analysts had dubbed the project "Beijing Military City".

The construction comes as the People's Liberation Army develops new weapons and projects ahead of the force's centenary in 2027. US intelligence said President Xi Jinping had also ordered the PLA to have developed the capability to attack Taiwan by then.

The PLA is rapidly expanding its nuclear weapons arsenal and working to integrate its different branches better. Military experts believe the PLA's lack of integration is among its biggest weaknesses compared with US armed forces.

"If confirmed, this new advanced underground command bunker for the military leadership, including President Xi as the chairman of the Central Military Commission, signals Beijing's intent to build not only a world-class conventional force but also an advanced nuclear warfighting capability," said Dennis Wilder, former head of China analysis for the CIA.



On the march: soldiers patrol Tiananmen Square in Beijing. The People's Liberation Army is working to integrate its different branches better and rapidly expand its nuclear weapons arsenal
Jade Gao/AFP/Getty Images

The Director of National Intelligence, which oversees the US intelligence community, did not comment. The Chinese embassy in Washington said it was "not aware of the details" but stressed that China was "committed to the path of peaceful development and a defence policy that is defensive in nature".

Renny Babiarz, a former imagery analyst at the National Geospatial-Intelligence Agency who has examined images of the area, said there were at least 100 cranes in a 5 sq km area developing underground infrastructure.

"Imagery analysis suggests the construction of several possible underground facilities linked via possible underground passageways, although additional data and information is needed to more fully assess this construction," said Babiarz, now vice-president of analysis and operations at All-Source Analysis, a geospatial analysis service group.

The site was busy with construction activity last month, in contrast to a dearth of development in China amid a property sector crisis. There were no showrooms typically associated with a commercial real estate project and no official mentions of the construction site on the internet in Chinese.

While there was no visible military presence, there were signs warning against flying drones or taking photographs. Guards at one gate abruptly said that entry was prohibited and refused to talk. One supervisor leaving the construction site refused to comment.

Access to the back of the project has been blocked by a checkpoint. A guard said the public could not access popular hiking and tourist areas near the site, which a local shopkeeper described as a "military area".

One former senior US intelligence official said that while the PLA's current headquarters in central Beijing was fairly new it was not designed to be a secure combat command centre.

"China's main secure command centre is in the Western Hills, north-east of the new facility, and was built decades ago at the height of the cold war," said the former official. "The size, scale and partially buried characteristics of the new facility suggest it will replace the Western Hills complex as the primary wartime command facility.

"Chinese leaders may judge that the new facility will enable greater security against US 'bunker buster' munitions, and even against nuclear weapons," the former official added. "It can also incorporate more advanced and secure communications and have room for expanding PLA capabilities and missions."

One China researcher familiar with the images said the site had "all the hallmarks of a sensitive military facility", including heavily reinforced concrete and deep underground tunnelling.

"Nearly 10 times bigger than the Pentagon, it's fitting for Xi Jinping's ambitions to surpass the US," said the researcher. "This fortress only serves one purpose, which is to act as a doomsday bunker for China's increasingly sophisticated and capable military."

Beijing's western outskirts are undergoing a multiyear redevelopment but there has been speculation online about why houses in the Qinglonghu area were being razed. In one post on Baidu Zhidao, the Chinese search engine's equivalent of Quora, one user said: "Are they going to build the Chinese Pentagon in Qinglonghu?"

Two people close to Taiwan's defence ministry also said the PLA appeared to be building a new command centre, though some experts questioned if the area was suitable.

"The land area is much larger than a normal military camp and military school, so it can only be assumed that it is a site for an administrative organisation or a large training base," said Hsu Yen-chi, a researcher at the Council on Strategic and Wargaming Studies think-tank in Taipei.

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Brussels sanctions

Russian LNG group lobbies think-tanks against tighter curbs

ALICE HANCOCK AND HENRY FOY — BRUSSELS
SHOTARO TANI — LONDON
ANASTASIA STOGNEI — BERLIN

Russia's largest liquefied natural gas company, Novatek, has approached think-tanks in Brussels in an effort to lobby against tightening EU sanctions.

The European Policy Centre, Bruegel and the Centre on Regulation in Europe were all approached by Novatek this week, requesting a meeting with the company's deputy chair, Denis Solovyov. All think-tanks, which influence EU decisions with reports and policy proposals, declined the request.

The purpose of the meeting, according to an email sent to the EPC and seen by the Financial Times, was "to engage in an open conversation with you regarding energy security, the role of LNG, and recent developments in EU energy policy".

Another think-tank, which asked not to be named, said it also received the request and said that "for now, the matter is on hold".

Solovyov's planned trip to Brussels coincides with heated debates among EU governments about whether the bloc should ban Russian LNG imports, the last fossil fuel that has so far been shielded from restrictions imposed in response to Moscow's full-scale invasion of Ukraine.

Neither Solovyov nor other Novatek executives, nor the company itself, are subject to individual sanctions in the EU.

The European Commission this week proposed limited bans on Russian LNG going to EU ports that are not linked up to the bloc's main gas grid. The proposal has yet to garner support among the bloc's 27 governments and must be unanimously backed to pass.

LNG imports from Russia rose to record levels last year and account for more than 20 per cent of the bloc's overall imports of the super-chilled fuel. More than 90 per cent of the volumes were sourced from plants majority-owned by Novatek: Yamal LNG and Vysotsk LNG.

Vysotsk was recently added to US sanctions. President Donald Trump has signalled willingness to impose further restrictions on the Russian economy if the Kremlin does not end the war soon.

Reuters reported in December that Solovyov was in Washington to work with lobbyists there to approach US government entities. High North News first reported that Solovyov would travel to Brussels.

"Mr Solovyov is keen to listen, exchange ideas and better understand the perspectives shaping Europe's policy direction," the email read. The Novatek executive "can share insights into how energy suppliers are adapting to Europe's changing regulatory and geopolitical landscape, providing a real-world industry perspective".

Novatek did not comment.



Denis Solovyov: requests to meet the Novatek deputy chair were declined

Fabian Zuleeg, chief executive of the EPC, said: "Russian economic actors are trying covertly to influence policymaking in the west to have limitations on their activities lifted.

"The EU should resist the temptation to re-engage economically with Russia, as Moscow will continue to be more than willing to weaponise interdependence in future."

Simone Tagliapietra, senior fellow at Bruegel, said Europe was "exposed to the risk of a divide-and-rule strategy by Russia" thanks to its lack of a unified approach to Russian gas imports "at a time where many across the continent might be tempted to resort to such gas supplies to lower energy prices".

Arctic LNG 2 has made several shipments since August last year but none has been delivered to any customers, who fear the repercussions of dealing with a US-sanctioned project.

Novatek said its hydrocarbon production last year was 667mn barrels of oil equivalent, an increase of 3.3 per cent compared with 2023. Its natural gas sales volume, including LNG, was 77.7bn cubic metres, a decline of 1.1 per cent compared with 2023.

INTERNATIONAL

Trump's 90-day freeze of foreign aid stirs funding crisis around the world

Stop-work order reveals the reach of US assistance and soft power tools disparaged by president

FT REPORTERS

With Colombian anti-narcotrafficking helicopters idle for want of fuel and news outlets in Ukraine threatened by closure, aid organisations and governments around the world are frantically trying to understand how the abrupt freeze of US foreign aid will affect their activities.

The 90-day suspension of US aid and "stop work" requirement following President Donald Trump's executive order last week has exposed with lightning-like intensity the global reach of US assistance, whose diverse projects worldwide have been an essential part of American soft power.

The new stance on foreign assistance could threaten that goodwill by putting countries on notice that there was no longer a "distinction between allies, partners and enemies", said Gyude Moore, a former Liberian public works minister and fellow at the Center for Global Development, a Washington think-tank. "It crystallises this idea that any engagement with the US is transactional."

After a global outcry, Marco Rubio, US secretary of state, clarified this week that "core life-saving programmes" related to medicine, food and shelter would be exempt from the suspension.

Still, humanitarian organisations around the world were left trying to figure out how they would be affected.

"We are encouraged to hear that there is a waiver process for life-saving programmes, but remain concerned that this could get caught up in bureaucratic red tape," said Elizabeth Hoffman, North America executive director at One, which campaigns for financing and debt relief for poor countries.

Beatriz Grinsztejn, International Aids Society president, highlighted the threat to the US-backed President's Emergency Plan for Aids Relief (Pepfar), which has invested more than $110bn in HIV treatment since 2003 and is credited with saving millions of lives in Africa and elsewhere. "Pepfar provides life-saving antiretrovirals for more than 20mn people," she said. If funding was cut, "people are going to die and HIV will resurge".

The state department has not provided additional guidance since Rubio loosened some restrictions, according to a US official and the head of a humanitarian organisation. Many organisations had already received stop-work orders and have implemented them absent the additional information, rendering the waiver useless at this point, they said.

Trump's executive order questioned the rationale of much US assistance, which amounted to $64.7bn in 2023, according to One, more than a quarter of the $223bn provided by rich countries that year. According to the executive order, much US spending was "antithetical to American values". Tammy Bruce, a state department spokeswoman, said the US was "no longer going to blindly dole out money with no return for the American people".

The threat of abrupt withdrawal of swaths of US aid, even once the temporary ban is lifted, has also underlined the historic difference between Washington's assistance, with its emphasis on grants for health, development and human rights, and that of Beijing, whose main focus has been on loans for Chinese-built infrastructure.

"We rely heavily on the US for our funding and it is a very big headache," said an adviser to the government in Sierra Leone in west Africa, where US-funded Mpox monitoring and HIV testing stopped following Trump's executive order. "The best-case scenario is to get funding elsewhere," said the adviser, but indicated that China was unlikely to step fully into the breach.

Among the programmes immediately threatened were relief efforts in Sudan, where nearly two years of civil war has unleashed arguably the world's worst humanitarian catastrophe, with about half the 49mn population on the verge of famine. Amjed Farid, a former special adviser to the civilian government, said vital communal kitchens relied exclusively on donor support.

"The freeze on US funding now threatens to leave millions of Sudanese vulnerable to further suffering, starvation and inadequate medical care," he said, but it was unclear whether Rubio's waiver might save such programmes.

In Ukraine, the world's biggest recipient of international assistance since the start of Russia's invasion in February 2022, USAID has provided $2.6bn in humanitarian aid, $5bn in development assistance and more than $30bn in direct budget support. Although President Volodymyr Zelenskyy confirmed that US military assistance had not been stopped, dozens of Ukrainian entities, including news outlets, medical facilities and veterans organisations, have reported receiving stop-work orders.

Mediarukh, a coalition of news outlets and watchdogs, said the freeze would have an impact on the country's information space, which Russia has exploited during its war.

Colombia, which was due to receive about $380mn this year in development and counternarcotics funding, has also been hit by the spending freeze.

The country has hosted around 2.8mn Venezuelan migrants, according to the International Organization for Migration, with many NGOs that provide shelter, food and orientation now unable to pay for their operations. "All project activities associated with these sources of funding have been suspended," said an international NGO worker.

Aid officials have sought to present their work — whether in early-warning systems for the next pandemic or countering terrorism through youth projects — as contributing to US security in line with Trump's "America first" policy.

"Pepfar is not just a global health programme, it's a cornerstone of US national security, protecting Americans from emerging health threats," said Hoffman of the One Campaign. "Our adversaries will capitalise on this gap in US leadership and promote disinformation which will undermine trust in the US and damage our reputation around the world." In Afghanistan, where the US is the largest humanitarian donor, the cuts threatened help for young girls who still have some access to primary education, as the Taliban seeks to erase women from public life.

In the long run, more threatened still may be programmes seen to run counter to Trump's orders to "end wokeness" and to stop the use of US taxpayer money to fund what the Office of Management and Budget called "Marxist equity, transgenderism and green new deal social engineering".

In Lebanon, Bechara Samneh, a board member at Mosaic, which supports LGBT+ people, said it had long relied on foreign donors because of local unwillingness to fund the group. Losing funding means "no services, no support".

But some argued that, however unwelcome the prospective cuts were, they exposed how many programmes overly depended on foreign aid.

"Our governments now know that help is coming from nowhere," said Ayoade Alakija, a global health specialist from Nigeria. "They need to start funding things themselves and investing in their own health and education."

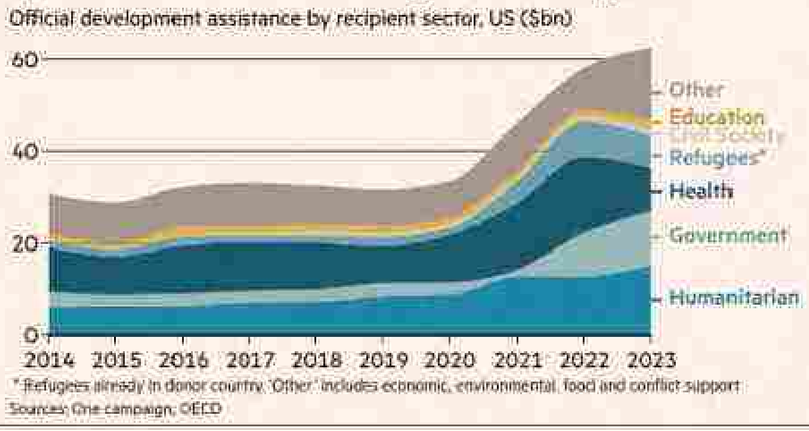
By David Pilling in London, Aanu Adeoye in Lagos, Monica Mark in Johannesburg, Joe Daniels in Bogotá, Christopher Miller in Kyiv, Andres Schipani in New Delhi, Malaika Kanaaneh Tapper in Beirut and Felicia Schwartz in Washington



Donation: officials from USAID and the World Food Programme inspect food aid in Harare, Zimbabwe
Tsvangirayi Mukwazhi/AP

US foreign aid spending surged under Joe Biden, driven by increases in humanitarian and government support

Official development assistance by recipient sector, US ($bn)

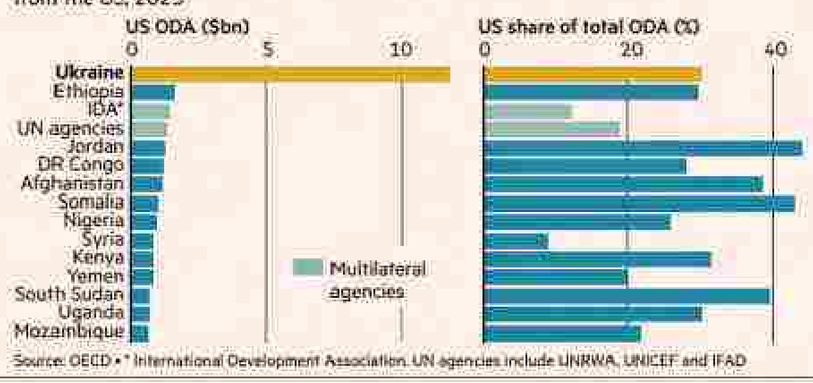


*Refugees already in donor country. 'Other' includes economic, environmental, food and conflict support

Sources: One campaign; OECD

Ukraine, multilateral agencies and many conflict zones are among the biggest losers of the US foreign aid suspension

15 largest recipients of official development assistance (ODA) disbursements from the US, 2023



Source: OECD • * International Development Association. UN agencies include UNRWA, UNICEF and IFAD

> The move suggests there is no longer a 'distinction between allies, partners and enemies'
>
> Gyude Moore, Center for Global Development

Asylum

White House crackdown at border leaves migrants stuck in Mexico

CHRISTINE MURRAY — CIUDAD JUÁREZ

Growing numbers of migrants who had been seeking to reach the US are instead planning to stay in Mexico for long periods after US President Donald Trump launched a border crackdown.

In the border city of Ciudad Juárez, the Jesuit Refugee Service, a non-profit offering legal and humanitarian assistance, has seen three times the number of people wanting help to request asylum in Mexico this month as in all 2024, said local director Alejandra Corona.

Media showed long lines outside the offices of asylum agency Comar, with more people trying to lodge applications to avoid detention by immigration authorities and secure a work permit.

"Asylum applications to Comar have increased in Tapachula and Mexico City in the last few days," said Giovanni Lepri, Mexico representative of the UN High Commissioner for Refugees.

In his first week in office, Trump declared a national emergency at the southern border, sent 1,500 military personnel to help with enforcement, and cancelled his predecessor Joe Biden's legal pathways for entry.

The US has also launched deportation raids by Immigration and Customs Enforcement and begun regularly using military planes for deportation flights.

One factor sending migrants away from the border for now is Trump's scrapping of an app, CBP One, that had assigned 1,450 appointments a day to request asylum at regular ports of entry.

At the El Buen Pastor shelter in Juárez, occupancy grew from just 14 people to 60 after the cancellation of CBP One, said its director, Pastor Juan Fierro.

Among those who lost their appointments was Luis, 30, a Venezuelan who spent his savings on the journey from his home country, which has been hit by an economic collapse under Nicolás Maduro's repressive regime.

Luis finally reached the US-Mexico border with his sister, girlfriend and other family and secured an appointment to cross into the US and apply for asylum, but one day before his slot, Trump cancelled it. "There was nothing we could do, and we're stuck on this side, defeated," he said in Juárez.

Many migrants are opting to stay in Mexico to try to get a job or request asylum. The capital is seen as a safer option than border areas, with more work opportunities and public transport.

For the past year, cities along the border had been much quieter than previously, with shelters below capacity and irregular crossings down. That resulted from a crackdown by Mexican authorities, tighter US restrictions and more legal pathways to cross through the app.

But for many migrants, returning home — whether to Venezuela, other countries in the region or parts of Mexico plagued by violence linked to drug gangs — is not an option.

Mexico's government has been creating shelters fit for 2,500 people each to take back deportees from the US. Several organisations said the system was unusually efficient so far, but that there was no clear additional plan for the estimated 380,000 Mexicans displaced internally by violence or the hundreds of thousands of foreigners now stuck.

John Burn-Murdoch see FT View page

Eurozone economy

ECB will fail to tame inflation, consumers fear

OLAF STORBECK — FRANKFURT

Eurozone consumers do not believe the European Central Bank will be able to tame inflation fully over the next 12 months, potentially complicating policymakers' plans to continue lowering borrowing costs.

The rise in household inflation expectations for the third consecutive month, according to ECB data published yesterday, comes a day after the ECB cut rates to 2.75 per cent and warned that low consumer confidence was likely to drag on the bloc's weak economy.

Consumers polled in December expected an annual inflation rate of 2.8 per cent over the next 12 months, up from 2.6 per cent in November and the highest level since July, the data showed. That would be significantly above the ECB's target of keeping price increases at 2 per cent over the medium term.

Households also fear the central bank will continue to miss that goal and are bracing for an average of 2.4 per cent of inflation over the next three years, the same rate as the reading in December.

Inflation expectations are important medium-term drivers of actual inflation as they influence wage demands and spending behaviour, which in recent years has been hit by the strongest inflationary surge in a generation in the wake of the pandemic and Russia's full-scale invasion of Ukraine.

Official forecasts from the ECB in December predicted annual inflation at 2.1 per cent this year and 1.9 per cent in 2026. Economists share those forecasts,

> Lagarde has indicated that further rate cuts are likely, without committing to the pace, size and timing

the ECB's Survey of Professional Forecasters showed yesterday.

When the ECB cut interest rates on Thursday by a quarter point for the fifth time since last summer, its president Christine Lagarde warned consumer spending was still weak and flagged that price rises in the next few months could fluctuate around December's 2.4 per cent figure before coming down.

Perceived inflation by consumers in December was still much higher at 3.5 per cent, up from 3.4 per cent in November, the survey showed.

Lagarde indicated on Thursday that further interest rate cuts were likely, without committing to the pace, size and timing.

In Germany, annual inflation in January was unchanged from a month earlier at 2.8 per cent, a full percentage point higher than in France, the countries' statistical agencies reported.

Tomasz Wieladek, an economist at T Rowe Price, said the ECB was still likely to "look through" the increase in household inflation expectations, arguing it was "a blip" driven by increases in food and energy prices.

"Bank of England research shows that 60 per cent of household expectations is due to food price inflation," said Wieladek, adding this was likely to be the case in the Eurozone too.

Global food prices have started to fall recently, he said.

Christian Schulz, an economist with Citigroup, said "longer-term expectations are well lower than the 3 per cent reached in 2022", suggesting the consumer data would not alarm the ECB.

See Opinion

Parliamentary probe

Poland holds former minister in spyware row

NATALIA SAWKA RAPHAEL MINDER
WARSAW

Poland's former justice minister was detained and forcibly brought to a parliament hearing yesterday, deepening a political row ahead of presidential elections.

Zbigniew Ziobro, who served until 2023 in the government led by the nationalist Law and Justice (PiS) party, initially ignored the summons and went to a TV station after previously threatening to make use of his firearm if approached by law enforcement.

He finally surrendered to police after completing an interview with TV Republika, a rightwing station, in which he accused the government, led by Donald Tusk, of committing unlawful actions and fostering "anarchy" in Poland.

Polish authorities issued an arrest warrant earlier this week after Ziobro refused to appear in front of a parliamentary committee investigating the PiS government's alleged misuse of spyware to monitor journalists and politicians. "Disregarding the state is not acceptable," said Arkadiusz Myrcha, deputy minister of justice and a member of Tusk's Civic Platform party. He pointed out that it was Ziobro's own decision to prioritise the TV interview over the court summons. "There were no objective obstacles to Ziobro showing up" at his hearing, Myrcha added.

Ziobro wrote on social media yesterday that the parliamentary committee was "acting illegally" and that he would "never voluntarily" appear before it.

"The court's decision to detain and bring me in is criminal," he added.

Ziobro, who is a PiS lawmaker, has refused to appear in front of the committee multiple times, also citing his cancer treatment as a reason for not showing up.

As a result, the committee requested an arrest warrant, which he can appeal against. He will remain free for 30 days until a Warsaw court decides whether to keep him behind bars.

The stand-off between PiS and the Tusk government has intensified in recent weeks as Poland gears up for presidential elections in May. The premier hopes that if liberal candidate Rafał Trzaskowski wins, he will unblock reforms put on hold by the PiS-aligned outgoing president, Andrzej Duda.

The former PiS government is accused of having used Pegasus, an Israeli-made surveillance software, to target nearly 600 individuals, including political rivals.

Other PiS politicians have also declined to appear before the committee, citing a ruling by the constitutional court, which is dominated by PiS-appointed judges, that declared the committee unlawful. The Tusk government no longer acknowledges the court's authority, arguing it has a political bias.



Zbigniew Ziobro: surrendered to police after finishing a TV interview

INTERNATIONAL

Environment

Indonesia queries Paris accord as US quits

Climate envoy asks why nation should stick to deal that bigger polluter rejects

A ANANTHA LAKSHMI AND DIANA MARISKA — JAKARTA
ATTRACTA MOONEY — LONDON

Indonesia, one of the world's largest emitters of greenhouse gases, has cast doubt on the usefulness of the Paris agreement after President Donald Trump announced the US would withdraw from the global climate accord.

Jakarta's climate and energy envoy said targets to cut greenhouse gas emissions for countries such as Indonesia were unfair when the US, as the world's largest historical polluter, were reversing on climate commitments.

"If the US, which is currently the second-biggest polluter after China, refuses to comply with the international agreement, why should countries like Indonesia comply?" said Hashim Djojohadikusumo at a conference in Jakarta.

His comments come just days after the Financial Times reported that officials in Argentina were discussing a proposal to leave the Paris agreement. This would make it only the second country to leave the 2015 accord signed by almost 200 nations.

Within hours of taking office, Trump signed an executive order to withdraw the US from the agreement for a second time, having also quit during his first term. No other countries then followed but the latest move has raised concerns it will undermine global climate action.

"This is a matter of justice. Indonesia 3 tons, America 13 tons . . . Where is the justice in that?" said Hashim, referring to carbon dioxide emissions per capita.

Developing countries have long called for rich nations to lead in addressing climate change by shifting their energy systems from fossil fuels, which are the main cause of climate change.

All countries are due to submit new national targets to cut greenhouse gas emissions this month under the Paris agreement. But many, including the EU bloc, are expected to miss the deadline.

Indonesia is the world's sixth-largest polluter because of its heavy reliance on coal. It generates 66 per cent of its electricity from coal and continues to build coal-fired plants to fuel its growth, including energy-hungry nickel production. It is the top supplier of nickel, critical for the production of stainless steel and batteries for electric vehicles.

President Prabowo Subianto has vowed to phase out coal by 2040, but analysts have said that is an aggressive target for a country that has failed to meet any of its climate goals.

Indonesia would need a dramatic policy overhaul and massive investments in renewable energy to meet its pledges, but the country has struggled to secure funds. It is estimated it will need at least $1.2tn between now and 2050 for clean energy, storage and transmission networks, and an estimated $28bn for the early retirement of coal plants.

Hashim said he believed an agreed $20bn programme to help wean Indonesia off coal would "certainly be scrapped" by the US under Trump. The so-called Just Energy Transition Partnership "is a failed programme", he said.

Indonesia has complained about the JETP since it was launched in 2022, led by the US and Japan and backed by promises of private capital via the banking sector umbrella group Glfanz. Touted as the largest such financing, little of the funding has been disbursed.

Foodstuffs

Japan opens strategic rice reserve as rise in prices feeds shortage fears

LEO LEWIS — TOKYO

Japan has responded to record rice prices by making it easier to tap into its stockpile of a grain at the heart of the nation's cuisine.

In a historic change, Tokyo has for the first time loosened the rules on accessing strategic rice reserves. The move is intended to tamp down soaring rice prices, which have fed into inflation, and quell consumer fears of shortages.

The stockpile was established three decades ago to protect against the risk of crop failure or natural disaster. It was last used after the 2011 tsunami and Fukushima nuclear crisis.

But rising prices have revived concern about shortages. According to government data, average domestic rice prices last year hit a record ¥23,715 ($153) per 60kg bag, about 55 per cent higher than the average for 2023. Prices continued to climb in December, hitting ¥24,665.

Last summer, Japanese consumers suffered the worst shortages of the staple since 1995, on the back of a weak harvest in 2023, panic-buying by restaurants and households and a subsidy policy that incentivises farmers to leave land fallow. Supermarket shelves were emptied, with many shops limiting sales to a single 5kg bag per customer.

Wholesalers are suspected of withholding the grain to take advantage of rising prices in a post-deflation era

The agriculture ministry agreed in principle yesterday to add a clause to the guidelines allowing the reserves to be tapped "when smooth distribution of staple rice is hindered and when the ministry deems it necessary". Taku Eto, agriculture minister, insisted there was sufficient rice in the system but that supplies were not reaching the market because it was "stuck somewhere".

Rice market experts suspect wholesalers are withholding the grain to take advantage of rising prices in a post-deflation era where it is easier to pass on costs to customers.

Last week, when the Bank of Japan raised interest rates to their highest level in 17 years, the central bank's outlook statement made multiple references to rice prices as it revised up its projections for consumer price inflation. The headline CPI figure — which includes volatile fresh food and energy prices — came in at 3.6 per cent for December.

The country's biggest convenience store chain, 7-Eleven, said it had "unavoidably" raised prices on 37 rice products, including a 20 per cent increase for the *onigiri* rice balls favoured by many Japanese consumers as a cheap lunch option.

Teikoku Databank, a research company that tracks the cost of assembling a plate of Japan's beloved curry rice, found that it hit an all-time high of ¥377 in November, compared with ¥316 a year earlier.

Offsetting domestic prices is difficult. Unlike with most of its food supply, Japan is self-sufficient in rice and, to support prices at levels that keep farmers in business, it has limited imports while incentivising restrictions on domestic output.

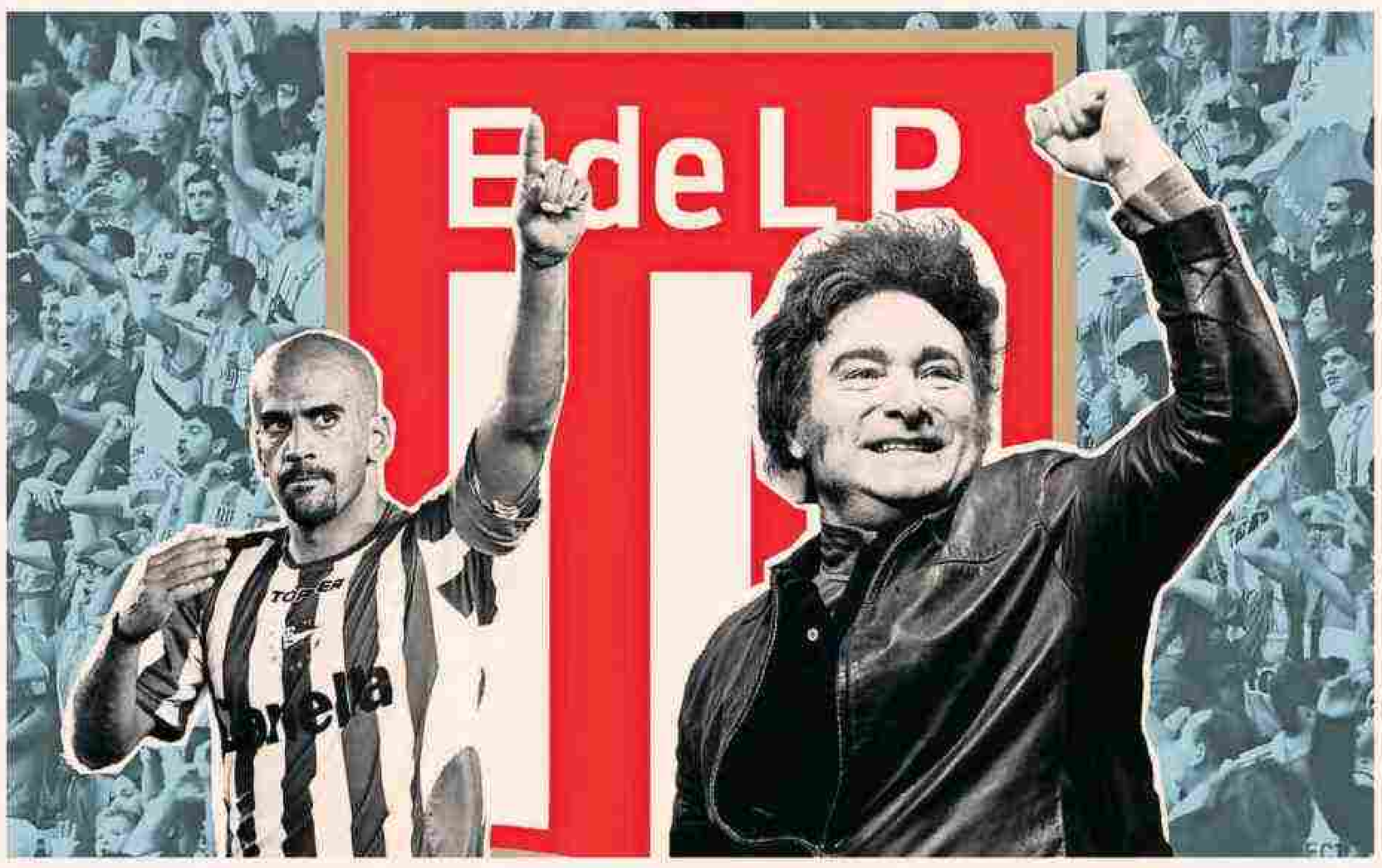
Under the terms of the rule change, the government agreed to buy back the equivalent amount it withdraws from the reserves within one year to prevent prices from tumbling too far.

Sport. Argentina

Milei has eye for bigger goal in football test case

Top club to vote on partnering with foreign backer in return for game-changing investment

CIARA NUGENT — LA PLATA, BUENOS AIRES



Strike force: Estudiantes president Juan Verón, above left, has been saluted by Javier Milei, above right and below when a youth player, as 'a champion both on and off the field'
FT montage: AFP/Getty

A proposed investment in one Argentine football club has become a battleground for libertarian President Javier Milei, as he pushes to open the beloved national sport to more private capital.

Estudiantes de La Plata, a fast-rising team in Argentina's top league, is preparing to hold a vote by some of its 56,000 members on forming a joint partnership with US businessman Foster Gillett, son of Liverpool FC's former owner, in exchange for a $150mn investment.

That would make the team from La Plata, a city 55km south-east of Buenos Aires, unique among Argentine clubs, which are owned by members and bar investors from taking a formal ownership stake, deterring foreign capital.

The government views Estudiantes as a "test case" for overhauling the system, said Guillermo Tofoni, a businessman who has worked closely with it on privatisation and brought Gillett to Estudiantes. "Through Estudiantes we are parting the red sea," he said.

Argentina, where football is often a greater part of public life than religion, is one of the sport's most successful nations. While its non-profit system is an oddity in world football, supporters argue it is essential to preserving the social role of clubs, which run community centres and even schools in many towns — services that for-profit companies may be tempted to cut.

Critics complain the model has stunted teams' development, making even big clubs such as Boca Juniors and River Plate regular exporters of their brightest talents. Lionel Messi, one of the sport's greatest players, left for Spanish club Barcelona at 13 years old.

Brazil, which approved a law encouraging clubs to become limited companies in 2021, has recently attracted a wave of investment, with several top division clubs now foreign owned.

"We want to grow and Argentina's football system is exhausted," Estudiantes president Juan Verón, a former player for the club who also had stints at Manchester United, Chelsea and Inter Milan, told La Nación newspaper last month. He said income from television rights, sponsorships and player sales was too little to reinvest.

"We're ready to do what is necessary so Estudiantes can keep getting bigger."

The government is closely watching Estudiantes' plan after setbacks in its efforts to reform football. Milei, who played in youth teams before training as an economist, issued an executive order days after taking office in late 2023 that gives sports clubs the option to become for-profit private groups.

A federal court temporarily suspended that order after the Argentine Football Association argued Milei could not force the governing body to accept private ownership. "No matter how much they try to convince us, this isn't our model of football," AFA president Claudio Tapia, who has ties to the left-leaning Peronist opposition movement, said last August. Rightwing governments' bids to allow for-profit clubs failed in the 1990s and 2010s.

"We will defend what we have been defending for many years . . . and the result will be the same."



At Estudiantes, Verón has proposed a midway option: the club, which owns players' contracts and runs community facilities, will remain a non-profit civil association that can compete under AFA rules, while a new entity, co-owned by Gillett and the club, will manage professional football operations. The legal form is still under negotiation, said Estudiantes, stressing it wanted to create a "new model" rather than privatise the team. Milei said of Verón this month: "I take my hat off to him because he's proven himself a champion both on and off the field."

Several surveys suggest most Argentine football fans are against for-profit clubs. Yet many Estudiantes supporters, keen for success, were bullish about Verón's plan at the first game of the season last weekend. The team won 3-1.

"The club is everything to me, and if this investor helps it grow then he's very welcome," said Federico Andrés Catrambones, 36.

Gillett signed a provisional agreement with Estudiantes in November pending the member vote, and the team has since signed several sought-after players, including Cristián Medina, a 22-year-old midfielder from Boca Juniors for roughly $15mn, the most expensive deal between Argentine clubs.

With the legal framework for private clubs suspended, Gillett's planned investment is risky, Tofoni said.

Estudiantes could sell players without Gillett's permission under AFA rules, for example, though this would violate the proposed contract between him and the club, Tofoni added. "Foster is willing to assume risks others won't because he believes in Argentina," Tofoni said, adding that other investors in the US and Europe were waiting for clearer rules. "He will demonstrate that this is good for Argentine football."

> 'If Milei [succeeds], he'll feel he's proven to society that he was right about private capital . . . being our saviour'

Life-long club fan Matías Antonio, 37, agreed. "If we manage to qualify for the Copa Libertadores [South America's equivalent of Europe's Champions League], other clubs will do exactly the same as us."

But some fans said they were concerned the club had not published details of the deal, such as where the proceeds of player sales will go. "There is a fear that if something goes wrong, we get screwed," said Lautaro, 22. "But I trust Verón, so I choose to believe."

The government is appealing against the suspension of its order at the Supreme Court.

Ezequiel Fernández Moores, a sports journalist, said he expected Milei to treat Estudiantes' fan vote late this month or early March as a big political moment. "Football is everything in Argentina," he said. "If Milei can say 'I've changed football', then he'll feel he's proven to society that he was right about private capital and deregulation being our saviour."

Additional reporting by Michael Pooler in São Paulo

Campaign trail

Australian politicians offer voters choice between 'anti-woke' and industrial policies

NIC FILDES — SYDNEY

Australian politicians have hit the campaign trail in recent weeks with starkly different visions for the country's future: a revival of its industrial base and green subsidies against an "anti-woke" crusade and tax breaks on business lunches.

The nationwide vote — which must take place by May 17 — will see Prime Minister Anthony Albanese's Labor party seek to avoid becoming Australia's first one-term government since the Great Depression.

It is also unfolding amid brewing voter frustration at sharp price rises over the past three years, including for rent, power, fuel and food, which at times have outpaced inflation.

The conservative Liberal party, led by Peter Dutton, has focused on the cost of living, pledging to slash government spending, including potentially thousands of public sector jobs.

Labor, for its part, has vowed to stimulate growth in manufacturing and renewable energy with a state investment of A$22.7bn (US$14bn) over the next decade.

David Smith, an academic at the US Studies Centre at the University of Sydney, said the pledge had echoes of Joe Biden's nation-building plans pitched against Donald Trump's promises to cut government spending and tackle diversity and inclusion policies.

"There has been a populist tendency in the [Liberal-led] coalition for a long time but Dutton is taking it in a new direction," Smith said.

Dutton has attacked large companies, from banks to retailers, over what he calls a "woke" agenda. This week he criticised a bank that refused a loan to a forestry company, telling Sky News such business decision-making "has to come to an end".

He has also sought to appeal to small companies, promising a tax break on business lunches with staff and clients — and drawing derision from Labor.

"The Liberals want every taxpayer to pick up the bill for long business lunches, trips to the movies, golf days and karaoke nights," Albanese said last week.

The government has been able to point to signs the cost of living pressure has been easing, with inflation falling to 2.4 per cent in the year to December, which could lead to a pre-election interest rate cut.

But with Albanese falling behind in polls, Kos Samaras, a political strategist at RedBridge Group who has worked with the Labor party, warned "a bit of road funding isn't going to win hearts and minds". He said: "There is a growing hunger from the electorate for something different. 'Dull and sensible' could be the worst thing to be."

Reinforcing that signal is Gina Rinehart, Australia's richest person and a Liberal party donor, who attended Trump's inauguration. Rinehart has called on Australia to adopt the US president's agenda of tax and spending cuts, and has pushed for Canberra to pull out of the Paris climate accord and tackle "woke culture".

> 'The Liberals want every taxpayer to pick up the bill for long business lunches'
> Anthony Albanese, prime minister

Dutton has appointed Jacinta Nampijinpa Price, an indigenous senator and campaigner against the failed "Voice" referendum in 2023 for Aboriginal rights, to a government efficiency position in the shadow cabinet, echoing Elon Musk's role in the US.

Dutton rejected the comparison with the US, however, saying it was consistent with the Liberal party's history of cutting spending.

Meanwhile, Albanese last week promoted his "Made in Australia" plan to revive the country's industrial base and create high-skilled jobs, while promising to safeguard public sector positions.

"Dutton's 'economic surgery' won't be done with a scalpel, it will be carried out with an axe," he warned.

Tim Ayres, the assistant trade minister with responsibility for the industrial plan, travelled with Albanese last week to the coal mining Hunter Valley region, where he announced A$2bn of credits to convert smelters to produce "green aluminium" with renewable energy.

"It has been a long time since there has been an election where there is industrial policy at its heart," said Ayres, adding Australia should have a bigger economy but needed to invest.

Richard Holden, an economics professor at the University of New South Wales Business School, said broadening the manufacturing base to protect against supply chain shocks was warranted. But he questioned some of the investments targeted at election battlegrounds in Queensland and New South Wales. "This looks like politics, not good economics, to me," he said.

Smith said many Australians were disengaged from politics, which could prompt the opposition to lean into populist rhetoric. But that approach would go only so far in Australia.

"Dutton will hammer the culture wars," he said. But "there are limits to how far you can follow Trump".

FT BIG READ. TECHNOLOGY

The release of DeepSeek's new model shocked investors and has shaken assumptions about which country has the upper hand in developing the technology that will dominate the 21st century.

By Madhumita Murgia, Richard Waters and Eleanor Olcott



A shift in the global AI arms race

On Monday, the world watched as $1tn was wiped off the stock market in a single day, a huge bonfire kindled by the little-known Chinese artificial intelligence start-up DeepSeek.

Its release of a new AI model, known as R1, upended assumptions about US supremacy in AI and raised the prospect that some in China are learning how to beat Silicon Valley at its own game.

The model can "reason" to solve complex scientific problems and performs at par with leading-edge software from US tech giants, but was apparently developed at a fraction of the price of those models.

It quickly dislodged OpenAI's ChatGPT as the most-downloaded free app on the US iOS App store.

Alongside the geopolitical challenge, DeepSeek's breakthrough has dual implications for the tech industry. Firstly, it is likely to accelerate the commercial development and uptake of AI, much as ChatGPT did in 2022.

At the same time, it threatens to demolish investment assumptions that have underpinned the entire US stock market, by seeming to show that developing advanced AI models does not require vast amounts of infrastructure and thus capital.

The question being asked with sudden urgency from California to Wall Street: has China caught up in AI at just the moment that many working in the field claim they are on the brink of a historic breakthrough that will put machines on a par with human-level intelligence — a threshold known as artificial general intelligence?

"[DeepSeek's] algorithmic innovations remind us that China and the US are neck and neck and that our technological edge isn't guaranteed, pushing our industry to make AI more efficient," says Eric Schmidt, the former chief executive and chair of Google.

"To get to AGI first, we'll need to continue to invest in talent, support our vibrant open-source ecosystem and ensure we out-innovate, not just outspend, our competitors."

DeepSeek's breakthrough turned on its apparent success at training advanced AI models without spending the hundreds of millions of dollars its US rivals have.

It claimed that the final training step for R1 cost only $5.6mn. The figure, however, doesn't include many other costs involved in developing its models, including computing infrastructure and previous training runs, making it hard to draw precise comparisons.

Ironically, Washington's attempt to hamper China's AI sector by imposing export controls on high-end US chips from 2022 onwards may have contributed to DeepSeek's breakthrough.

Without access to leading-edge silicon, the company was forced to find innovative ways to squeeze higher performance out of the less sophisticated chips it was able to buy.

The company's claims about the low cost and advanced capabilities of its models have touched off a heated debate about how disruptive the company will turn out to be. Silicon Valley's leaders have paid tribute to its innovations, while also playing down their significance.

OpenAI CEO Sam Altman called the R1 model "impressive", while Mark Zuckerberg, chief executive of Meta, credited the company with making "advances that we will hope to implement in our systems".

Yet Zuckerberg also cast DeepSeek's breakthrough as just one among many in a field that is moving at breakneck speed, making it hard to tell how deeply its low-cost approach would change the dynamics of the industry, he said.

> 'The group's algorithmic innovations remind us that China and the US are neck and neck and that the US edge isn't guaranteed'

According to some China tech watchers, DeepSeek's advances aren't significant enough to change the fact that the country's AI companies have been fast followers, largely devoted to emulating their US counterparts rather than setting the direction themselves.

"DeepSeek's work falls into that category. What would really turn the tables in US-China competition is if they built something that actually pushed the frontier. We'll see if they get there," says Helen Toner, an AI policy analyst at Georgetown's Center for Security and Emerging Technology, and a former board member at OpenAI.

Yet others say that the fact that a Chinese tech start-up has been behind the latest head-turning advance represents a watershed moment, changing the dynamic in the AI race between the two countries.

"DeepSeek's latest models may not mean that China is pulling ahead of the US in the AI race, but it does prove that Chinese companies are making remarkable strides in software innovation that mitigate the constraints imposed by US export controls," wrote Tilly Zhang, a China tech analyst at Gavekal Dragonomics, a China-focused research firm, in a note published this week.

"The race for AI leadership is no longer just about who has access to the best chips, but about who puts them to best use."

While the significance of DeepSeek's technical breakthroughs is a matter of debate, there is no mistaking the shockwave that passed through the stock market as investors digested the implications.

DeepSeek's models appear to undermine the argument that US AI companies have made vociferously over the past year: that AI advances require vast amounts of capital to develop and deploy their technology at scale.

Instead, they suggest that far more expensive, US-developed models would have little to differentiate them, raising fears among investors of a sharp deflationary shock.

"There was a sense of American exceptionalism — that only America had this technology, and only Americans had the money to do this," says Jim Tierney, a US growth stock investor at AllianceBernstein. "The commoditisation of these models is happening much faster than we thought."

Many in Silicon Valley argue others in the industry will quickly copy DeepSeek's innovations, bringing down the cost of training AI models across the board. Microsoft's Satya Nadella claimed it will make the technology more affordable for customers and boost its use — potentially benefiting the entire industry.

In a sign of the company's confidence in its status, DeepSeek has published its research and released its models in "open-weights" form, a more limited version of open-source software that allows anyone to download, use and modify the technology.

The move will attract a wide international following among software developers looking for "open" models to build applications on. Most models developed by Silicon Valley's leading AI companies remain closed, though there are exceptions — notably Meta, whose open models have surged in popularity.

But Deepseek's model is accessible at a far lower cost. The Chinese company says it charges only 1.4 cents for each 1mn tokens it generates — roughly equivalent to 700,000 words. By contrast, Meta charges $2.80 for the same output from its largest models.

"A whole number of developers are experimenting with what's now a Chinese open source AI-based solution," says Keegan McBride, a researcher at the Oxford Internet Institute who focuses on the geopolitics of AI. "It really shows that in the AI space, the US isn't the only option on the table."

While Yann LeCun, chief AI scientist at Meta, described DeepSeek in glowing terms as proof that "open-source models are surpassing proprietary ones", the start-up nonetheless poses a direct challenge to Meta.

The company's "claim to fame has been creating open-weight models that aren't too far behind the bleeding edge, and DeepSeek just beat them at their own game," says Toner.

Beyond Deepseek's impact on the market for AI products, its breakthrough also promises to have geopolitical repercussions, coming at what many believe is a pivotal moment in the competition between the US and China for AI supremacy.

If R1 and its successors become the global standard for "open" AI models, it would handicap the US, warned Meta's Zuckerberg. "For our national advantage, it's important that it's an American standard," he said. "We want to build the AI system that people around the world are using."

DeepSeek's popular new AI model is a direct challenge to OpenAI's ChatGPT and comes just at the moment many in the field claim they are on the brink of a historic breakthrough

FT montage/Getty/Alamy/DeepSeek

DeepSeek has "accelerated the urgency for people in every country to assess . . . the technological balance of power emerging between various countries," says Craig Mundie, a Microsoft veteran and former White House adviser.

> 'It seems likely that China could direct more talent, capital and focus to military applications of the technology. This could help China take a big lead on the global stage, not just for AI'

If China has managed to get on to an equal footing with the US on AI, it has implications for everything that the technology could eventually be used for, warned Dario Amodei, CEO of US AI start-up Anthropic.

"It seems likely that China could direct more talent, capital and focus to military applications of the technology," Amodei wrote of DeepSeek's advances. "This could help China take a commanding lead on the global stage, not just for AI but for everything."

Mundie, who also chairs the US-China AI Dialogue diplomatic forum established by the late US secretary of state Henry Kissinger, calls AI the "ultimate dual use technology", meaning it has both positive and dangerous purposes.

The emergence of DeepSeek is likely to hang over talks when the diplomatic group convenes within the next 90 days to discuss a multilateral but common safety structure for AI software.

"It doesn't mean everyone will have the same laws or rules, but [building] the architecture by which these machines grow up understanding human values and comport with societal choices everywhere in the world, I think is an urgent task," Mundie says.

Additional reporting by Melissa Heikkila in London

Obituary

Pop ingénue who became the epitome of a rock survivor

Marianne Faithfull
Singer and actress
1946-2025

"Can she sing?" So asked Andrew Loog Oldham, manager of The Rolling Stones, at a party in 1964, pointedly ignoring Marianne Faithfull's presence and instead addressing the 17-year-old's boyfriend. Yes: she could sing, initially in a sweet folk-pop vibrato with very English diction, then later — several lifetimes later — in the weathered tones of hard experience.

Faithfull's career, if that prosaic term can be applied to such a free spirit, was launched by the hustling Oldham. He promoted her, in her words, as "an eerie fusion of haughty aristocrat and folky bohemian child-woman". There was a grain of truth to the fantasy. Faithfull was born in 1946 to an Austro-Hungarian baroness who moved to England after marrying an eccentric British intelligence officer. The marriage foundered, a wartime *folie d'amour*. Faithfull was raised by her mother as a penniless blue blood. From her she learnt the intoxicating but ruinous habit of living beyond one's means.

Her first single was the Françoise Hardy-style ballad "As Tears Go By", which was also the first song written by Jagger and his Stones partner, Keith Richards. A chart success in 1964, predating the Stones' version by a year, it sparked a run of hit singles. But Faithfull did not relish pop stardom. In the description of her superb 1994 memoir *Faithfull*, she was bedevilled by "grotesque contracts, lying, cheating crafty legalisms, mad and bungling managers and barbaric schedules".

Relief of a sort came with entry into the Stones' inner sanctum. She was attracted to Richards at first, culminating in "a wonderful night of sex" with the guitarist while tripping on LSD, as she reminisced in *Faithfull*. Afterwards, to her surprise, the guitarist breezily told her to give the "smitten" Jagger a call: "Go on, love, give him a jingle, he'll fall off his chair."

Emblematic of the group's louchely complicated dynamics, she and Jagger became the golden couple of the Swinging Sixties. Barely 20 when she moved in with him in 1966, she arrived with a baby son from an undissolved marriage to the gallerist John Dunbar. She continued releasing records and also had a successful sideline acting in high-profile plays and films. But her work was overshadowed by her offstage life.

Having affairs with women and men alike, opening her mind with LSD and hashish, she embodied the era's spirit of libertinage. But there were risks too. Lurid lies about sexual depravity circulated after Jagger and Richards were arrested in the notorious Redlands drug bust of 1967, at which Faithfull was present, wearing a fur rug and nothing else. A nearly fatal sleeping pill overdose in Australia in 1969 prompted a Conservative MP to dub her "a rather stupid young lady" in a House of Commons debate.

The pop ingénue had become vilified as a monster of corruption. But Faithfull's hedonism had an innocent quality. She gave herself to sensual pleasure wholeheartedly. As she sang in "Guilt", from her 1979 landmark album *Broken English*: "I never lied to my lover/But if I did, I would admit it."

Her outlook was formed by Romantic poetry, aestheticism and decadent literature (her mother was descended from Leopold von Sacher-Masoch, author of erotic novella *Venus in Furs*). When she co-wrote the lyrics to the song "Sister Morphine", she drew on John Milton's poem "Lycidas" for inspiration. Released by Faithfull in 1969 (the Stones' version followed in 1971), it foreshadowed her descent into heroin addiction.



Faithfull was vilified by some but her hedonism had an innocent quality

> Her unbowed voice established kinship with a post-punk generation that rejected The Rolling Stones and their ilk

In 1970, she broke up with Jagger. The years ahead were her nadir, a time of alcoholism, drug dependency and a period of homelessness in central London during which she lost custody of her son. The spiral was unexpectedly arrested in 1979 by *Broken English*. Its new wave sound and Faithfull's battered but unbowed voice established kinship with a post-punk generation that rejected The Rolling Stones and their ilk as out-of-touch rock aristocrats.

She continued to lead a challenging personal life, not quitting heroin until 1985. Survived by her son Nicholas Dunbar, she was married three times. But the woman who unwillingly submitted to the role of muse to Jagger ("So destructive for anybody trying to be an artist in her own right") released 21 studio albums in total. She was a cult figure for collaborators such as Jarvis Cocker and Nick Cave, venerated as the epitome of the rock survivor.

Her philosophy was encapsulated by one of her favourite poets, William Blake, cited in her memoir: "You never know what is enough unless you know what is more than enough."

Ludovic Hunter-Tilney

The FT View



FINANCIAL TIMES
'Without fear and without favour'

Musk's mission to Mars

Landing astronauts on the red planet may no longer be a wildly distant dream

The grin that Elon Musk wore during Donald Trump's inaugural address widened further when the president pledged that Americans would "plant the stars and stripes on the planet Mars". Colonising the red planet en route to creating "a spacefaring civilisation" has long been one of Musk's driving ambitions — and a prime motivation for his building SpaceX into the world's most successful space company.

Trump is not the first president to proclaim an ambition to land astronauts on Mars but, with dedicated support from the world's champion rocketeer and richest person, he has a better chance of success than his predecessors. Some might regard spending $1tn establishing a Martian base as hubristic waste when so much needs fixing on our own planet. The proposal, though, is more popular than many of Trump's other enthusiasms. A YouGov poll in 2023 found 57 per cent of Americans supported sending astronauts to Mars, with only 19 per cent opposed.

Musk has become such a polarising character that his championing a Mars programme may also appear to his detractors a gigantic vanity project. Yet his record with Tesla and SpaceX has demonstrated an exceptional ability to achieve ambitious technological feats. Putting humans on another planet would be hugely inspiring for people not just in the US but worldwide. Remember the wave of enthusiasm for science and technology, particularly among the young, after the Apollo Moon landings.

The US space agency Nasa is focusing the future of human space flight on returning astronauts to the Moon through the Artemis programme started by the previous Trump administration in 2017. The first crewed landing is expected in 2027. In contrast, Musk's philosophy expressed on X recently is: "We're going straight to Mars. The Moon is a distraction."

Musk's engineering reputation rests in part on his determination to strip out unnecessary steps and drive teams relentlessly towards a final goal. Here, however, a less radical approach might be wiser. For the new administration to cancel key elements of Artemis, such as the Orion crew capsule, would be a waste of about $100bn allocated to the programme by Nasa and partners such as the European Space Agency. Valuable learning that could make Mars missions more achievable would be lost.

Even if Musk's associate Jared Isaacman, nominated by Trump to lead Nasa, tries to redirect resources from the Moon to Mars, Congress may stop him. Many members of both parties are committed to the Moon-first approach, not least because abandoning it would leave lunar real estate open for China to exploit. Ideally Musk would lend his expertise and the immense power of SpaceX rocketry to make the Moon a successful stepping stone to his goal.

Many members of both parties in Congress are committed to the Moon-first approach, not least because abandoning it would leave lunar real estate open for China to exploit

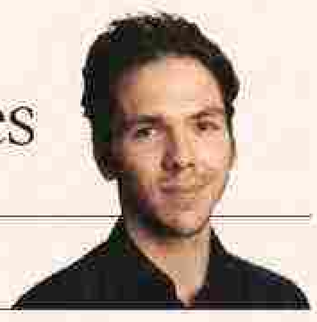
Pioneering travellers to Mars will have to undergo an extremely rigorous selection process, as the nine-month trip to the red planet on Musk's Starship will place a huge strain on minds and bodies. Even with good shielding, cosmic radiation and extended exposure to low gravity will accelerate ageing of organs from kidneys to the brain. Mental health could suffer from prolonged confinement with fellow astronauts.

Musk famously said a few years ago: "I would like to die on Mars. Just not on impact." Some of his critics might be happy to see the controversial billionaire leave on the first flight, though it is not clear he would meet the demanding mental and physical requirements for the trip. But he may have the power, wealth and determination to make it happen for others — and, as he sees it, to give humanity a future beyond Earth while inspiring innovation and motivation on Terra Firma along the way.

ft.com/opinion

Opinion Data Points

How undercounting immigration skews narratives



John Burn-Murdoch

Britain's employment rate is dropping, but this time it's due more to rapid population growth than falling job numbers

Year-on-year change in working-age employment rate (% pts), decomposed into contributions from change in job numbers and change in population size



Source: FT analysis of data from ONS and HMRC

A curious thing is likely to happen next week: Donald Trump may well be handed positive headlines as a result of record high immigration. Perhaps more curious still, a similar phenomenon in the UK is instead giving Keir Starmer and Rachel Reeves a headache.

In both cases, the narrative is being shaped by how labour market statistics deal with the revelation that the population is larger than was previously realised. But this plays out in different ways on the two sides of the Atlantic.

Last quarter, Britain's Office for National Statistics revised upward its estimates of net immigration during the two years ending in December 2023, calculating that around 300,000 more people than initially thought arrived and stayed in the UK, a 20 per cent bump. This increase, as well as some of the updated assumptions beneath the surface, fed into revised population projections published earlier this week.

If that sounds like a big adjustment, the US Census Bureau then increased its estimates of net immigration for 2022 and 2023 by almost 90 per cent, from 2.1mn to 4mn, adding another 2.8mn for 2024. As a result, US population growth last year is now thought to have been the fastest in decades.

To be clear: the fact that these revisions happen is a good thing. In both cases, the way immigration is counted is improving, aided in large part by the incorporation of administrative data, which is more accurate and timely than survey-based sources. At any rate, it's far better to have revisions and more accurate numbers, than no revisions and still the wrong numbers.

But substantial shifts like these don't just change what we thought we knew about population size and growth rates. They influence economic indicators too, not least labour market statistics.

Next Friday's monthly US jobs report, the first of Trump's second term, will incorporate a raft of revisions to the underlying survey data, among them the dramatic upward adjustment to the population size.

Analyses from the Brookings Institution and Jed Kolko, formerly a senior economist under Joe Biden, indicate that, contrary to reports last year, the new figures will probably show that native-born Americans are not losing out in the job market relative to immigrants. In fact, US-born employment is growing.

The old population figures artificially lowered estimated employment levels derived from America's main household economic survey, causing US-born employment to appear to be falling. In reality, population growth was so high that even though the native-born share had fallen, the native-born number still rose.

Across the Atlantic, similar revisions have a very different impact. Well-publicised problems with Britain's labour force survey mean the UK increasingly leans on administrative data to take the temperature of the labour market. And that shows that the number of working-age payrolled employees flatlined for most of last year, before dipping.

Crucially, because these figures are counts based on tax records, not proportions derived from surveys, unexpectedly high population numbers only grow the denominator in the employment rate, not both sides of the equation as in the US. As a result, stagnant UK job numbers translate into a marked deterioration in labour market conditions when viewed against the backdrop of robust immigration-driven population growth.

The number of working-age UK employees is down 0.2 percentage points year-on-year, but expressed as a proportion of the population the dip is almost a full percentage point — the deepest since 2008, pandemic aside. Where the rapid labour market loosening of 2008 was mainly driven by a shrinking numerator (job losses), this one comes primarily from an expanding denominator.

The depth of this downturn is probably a lower bound, since some recent arrivals may be self-employed or in other types of employment that the UK's tax-based job figures struggles to capture. But the general picture of population growth outpacing job growth is clear.

While statistics like the numbers of people and workers in the country might feel solid, the array of revisions and methodological differences highlight the flimsy nature of many narratives that form around them. The picture gets more accurate over time, but there will be blurry moments along the way.

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Letters

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Scotland's famous philosopher saw the error of his ways

John Burn-Murdoch's perceptive Data Points about the connection between "the loneliness epidemic, falling rates of adolescent drinking and dating, and worsening mental health among teenagers" (Opinion, January 18) brings to mind the early years of the great Scottish philosopher David Hume.

In the early 1730s — still a teenager — Hume abandoned his studies at Edinburgh University, convinced there was nothing professors could teach him that he could not learn from books, and embarked on a solitary journey through Edinburgh's libraries. Lacking the feedback, structure and companionship offered by his professors and fellow students, he became increasingly isolated and suffered a breakdown in 1734.

His physician, observing his emaciated state and scurvy spots on his fingers, diagnosed the "Disease of the Learned" and recommended that he take a trip to the continent. Happily, during his journey, Hume recognised the error of his ways.

On return, he sought out friends and companions who included other great figures of the Scottish Enlightenment such as Adam Smith, and grew into the clubbable, slightly chubby figure captured in Allan Ramsay's portrait in the Scottish National Portrait Gallery and his statue on the Royal Mile.

His spirits and physical health were greatly revived by a regular supper of "stovies" (stew) or "cullen skink" (chowder), washed down by a daily pint of claret as prescribed by his physician.

Michael Nevin
Author, Edinburgh, UK

Techno-utopian thinking, not DeepSeek, is the threat

The appearance of the new, more compute-efficient large language model DeepSeek ("Chinese AI lab reveals its methods", Report, January 25), and the subsequent panic-inducing hit to the Nvidia share price, can be summarised as follows: someone has taken an absurdly expensive model and found a way to make it cheaper. It hardly takes a "serious researcher" to have predicted this.

Funnily enough, the new model is not efficient to train in any absolute sense.

Its 2.7mn graphics processing unit compute hours still require millions of dollars of hardware — hence the quant trading fund behind it. It is not efficient, just more efficient than what came before.

But such is the way of inflated valuations: reality need barely knock. Is this a greater threat to AI investors than hard-nosed engineering?

The Silicon Valley moguls whose talk about "the singularity" dates back at least as long as their commitment to extending the human lifespan, fusing human and machine, and the rest of the "transhumanist" vision.

In the worst case, this science fiction-bound thinking leads to self-fulfilling prophecies, like the numerous companies who recently voluntarily decided to release and promote tools to let large language models control your computer.

This is rather like building an artificial cat, expounding in public about how it will one day turn on us all, and then adding a function to let it walk across our keyboards.

It can only be explained by a belief in the deep importance of an inevitable future.

The instability induced by techno-utopian thinking is a much larger threat to investors than boring innovations like this Chinese artificial intelligence start-up.

Ewan Dunbar
Assistant Professor, Computational Linguistics, University of Toronto, ON, Canada

Remember, if you don't grow it, you have to mine it

Far be it for me to take issue with Daniel Susskind and his opinion column entitled "Britain needs to rediscover its economic spirit of adventure" (Opinion, FT Weekend, January 18), but his seeming swipe at the mining industry as "an old school sector" needs some examination.

Without the mining industry, his quoted high-tech stocks would not exist if someone wasn't there to dig the ores that make these companies possible.

There is an adage: if you don't grow it, then you have to mine it. This will always hold true.

Julian Bennett
Sible Hedingham, Essex, UK



Nusrat Fateh Ali Khan, a proponent of qawwali or Sufi devotional music – Alamy

Urdu singer with the quicksilver voice

I was delighted to read David Honigmann's piece about Nusrat Fateh Ali Khan's popular song "Mustt Mustt" (The Life of a Song, January 25).

It brought back so many memories of my teenage years when I travelled to Pakistan in 1997 for my aunt's wedding. My elder brother, a big fan of the Urdu singer, requested I bring back, as a gift, the collection of the complete album, which was impossible to get in India, where he lived. Spotify & Apple Music were then non-existent.

I fulfilled his wish and even 25 years later we still have those cassettes at home. Interestingly — and a point not made by Honigmann — it was not "Mustt Mustt", that became the music sensation in India at that time, but another Khan song "Afreen Afreen" with lyrics by Javed Akhtar, the Indian poet and Bollywood songwriter.

Your columnist correctly writes that qawwali were "devotional songs that sounded like love songs, love songs that sounded devotional, propelled by harmonium and tabla and handclaps and Khan's quicksilver voice". For many younger international audiences, qawwali is more familiar as a concert on stage, or heard on recordings more like pop music. But in fact the real qawwali is far away from this. It is the physical and musical manifestation of the Sufi religious tradition in South Asia, which mainly emerged in India and Pakistan in the 13th century in association with the Sufis and their Islamic mysticism.

Qawwali music was originally performed at Sufi shrines. Sufi followers believed in learning from teachers rather than relying on text. Qawwali is intended to bring everyone involved to a spiritual union with God — the music having an intensity, no matter what your personal faith.

Khan rightly is given credit for popularising this musical art form, totally transforming its traditional ritual function into a commercial entertainment.

Aisha Amjad
Dubai, UAE

Opium and tea — the double whammy

In Joël Penkman's article "Small plants, big business" about the rise of plant poaching (Magazine, Life & Arts, January 25) my eye was caught by the name Robert Fortune, who Penkman tells us "brought stolen tea seeds, and the knowledge of how to process them, from China . . . "

Only the previous day, I had seen Fortune's name in Lucy Inglis's fascinating book *Milk of Paradise: A History of Opium*. I checked back and there was just this one reference to "the collector to the Royal Horticultural Society of London" who was in China, including Hong Kong, from 1843 to 1845. His status gave me a shock, as what had tea to do with opium? Searching in the book I found the answer: "The British opium trade resulted largely from the domestic demand for tea." A double whammy, one might say.

Devra Wiseman
Leatherhead, Surrey, UK

Pleasure of finding a home for my eclectic wardrobe

The FT Globetrotter piece on the best vintage and retro shopping in New York ("So good they sold it twice", Life & Arts, January 18) was comforting confirmation that I am still trendy.

My eclectic collection of clothing had been occupying way too much space in my home in the Hamptons in eastern Long Island. So I asked a vintage store in the New York theatre district if it would buy my wardrobe.

It is a minor miracle to find a place for my retro attire. For me, I like the extra cash flow and seeing that funky sweater vest from the seventies find a new home was satisfying too.

I also like having more room in my closet and finding articles of clothing I forgot I owned. I found the Harris Tweed jacket I purchased in London during my college tour of Europe. I may hold on to that for sentimental reasons.

Steven A Ludsin
East Hampton, NY, US

Reynolds sale should irk Britain's art-loving public

Representatives of the art trade will doubtless note your front page report "US billionaire's record swoop rocks London art market" (January 25). Their interest in the story is purely pecuniary and, having found a way of circumventing the internationally respected UK reviewing process for the export of works of art and objects of cultural interest, they are no doubt cracking open the champagne.

But the nation's art-loving public, and students and scholars of the history of 18th-century Britain, are impoverished. Harewood House in West Yorkshire, which we are told needs the money, has been exemplary in making its collections available to view and engaging with questions about the production and reception of artworks.

The painting in question — Joshua Reynolds' "Portrait of Lady Worsley" (circa 1776), reproduced in colour in your article — shows the subject wearing a riding habit in a "mode militaire" that was adopted in support of national militias at a time of growing fears about a French invasion.

Inferring political messages from a dress is in the news again with Jo Ellison's column about Donald Trump's wife, Melania ("Who's afraid of Melania Trump?", Life & Arts, January 25).

Stephen Schwarzman, a Trump supporter who was given an honorary knighthood last year by the UK government, owes it to the British nation whose cultural heritage he is acquiring to offer assurances that the works of art he is purchasing will not at some later date be transported to his overseas property and that adequate provision will be made for public viewing.

Meanwhile, the government needs to consider urgently how to ensure our cultural heritage remains not only in the UK but accessible to the public.

Marcia Pointon
Professor Emerita in History of Art University of Manchester, UK

In a world awash with recipes, FT hits the spot

Harriet Fitch Little, the paper's food and drink editor, is to be commended on her now nine-month-old quest to seek out the most "hand-on-heart brilliant recipes out there" ("The secret to a great ragù? A kilo of onions", Magazine, Life & Arts, January 25).

The world is awash in recipes, but somehow the FT recipe of the week consistently outperforms most of them. There's the couple of ragù recipes that I now can't do without, and the excellent vinegar chicken. And my kitchen resounds with the thud of rolling pin meeting cucumber flesh for the real smacked cucumber salad.

The reimagined ratatouille is also known as "the FT ratatouille" in my house.

Matthew Burbidge
Johannesburg, South Africa

Opinion

Europe has got the message on change

Christine Lagarde & Ursula von der Leyen

Remaining competitive is fundamental for Europe's future. We need faster economic growth and higher productivity to protect the quality of life for Europeans — from their jobs and incomes to their security and welfare.

That is why Europe must act. Our competitiveness is at risk. While a global revolution in artificial intelligence unfolds, the EU could find itself on the sidelines. Our traditional manufacturing champions are losing global market share. Geopolitical shifts are turning dependencies into vulnerabilities and burdening our companies with high energy prices.

Europe must and will find its place in this new world. The prospects for our continent are better than they might seem. The EU has strengths on which it can build — and it has a plan to fix its weaknesses.

Europe has strong economic fundamentals. We have institutions governed by the rule of law, and an independent central bank committed to price stability. Inflation is returning to the ECB's 2 per cent target, allowing borrowing costs to fall. Public debts and deficits are lower than in other major economies.

Europe also has the necessary ingredients to catch up in the technological race. The EU turns out almost as many Stem graduates per million inhabitants as the US. That talent produces a lot of ideas: Europe's share in global patent grants is close to that of the US. And we have the money to finance them, with households saving around €1.3tn every year.

We have an opportunity to bring down energy prices in a lasting way. The shift to secure, low-cost clean energy sources is on track: by 2030, over 40 per cent of our energy consumption will come from renewables. And we are well-placed to become a global hub for clean tech innovation, especially as some countries strike out in a different direction.

While others must cut their dependencies by building up domestic capacity, the EU can choose from a broader set of options owing to its unique position in global trade. We are the top trading partner for over 70 nations and we continue to strike new agreements, most recently with 400mn Latin Americans. And in a deal with the EU, what you see is what you get.

But these strengths are meaningless if Europe is hamstrung by its weaknesses. We need profound change on three fronts.

First, we need to make the EU an easier place for innovative companies to grow. Only one-third of university patents in Europe are commercialised, while companies that try to scale-up in our single market face many internal barriers. Despite our savings, entrepreneurs lack access to risk capital, because capital markets are still too fragmented.

Second, we need to make Europe a better place to invest. Two out of three EU companies say that regulation is a key obstacle to investment, while just 14 per cent of them are using AI. Firms still face long permitting procedures, onerous reporting requirements and diverging enforcement of digital rules.

> We can no longer squander our strengths with self-imposed handicaps

Third, we need to make doing business in Europe cheaper, especially in terms of energy costs. While the shift to renewables creates jobs and strengthens energy security and independence, it also comes with greater intermittency and greater energy losses through curtailment. For the benefits of decarbonisation to show up in companies' bills, we need massive investment in grids and storage and smarter market design.

Europe has got the message. This week, the European Commission presented its Competitiveness Compass which sets out ambitious proposals to address these shortcomings. From now on, the EU will strive not only to lower the barriers facing companies, but also to ensure that they have the resources they need to thrive here — be it finance, compute, energy or skills.

For example, the commission will propose a so-called "28th regime" for innovative companies, allowing them to benefit from a single legal framework across the EU for aspects of corporate law, insolvency, labour law and taxation. It will launch a plan for a Savings and Investments Union, which will ensure that innovative companies can find the financial backing they need.

The EU will also give companies access to our world-leading network of supercomputers. This will help develop new advanced technologies and spread AI faster among established champions. The ECB will play its part too by keeping Europe at the forefront of digital payment technologies, including through the digital euro project.

In parallel, the regulatory burden will be lightened by an unprecedented simplification effort, starting next month. This will include a far-reaching simplification of legislation on sustainable finance reporting and due diligence. And energy prices will be brought down through a range of measures to integrate markets, increase contracted energy and reduce taxes.

This is only a snapshot of what lies ahead. Companies and households want to see action — and a wave of actions are coming. We can no longer squander our strengths with self-imposed handicaps. There is too much at stake. We are ready to do whatever is necessary to bring Europe back on track.

The writers are president of the European Central Bank and president of the European Commission



Person in the News | Liang Wenfeng

DeepSeek founder panicking Big Tech

Hedge fund quant turned start-up leader rose from rural China to overturn a US monopoly, write *Eleanor Olcott* and *Zijing Wu*

In China, Liang Wenfeng is being celebrated as a hero this week, a digital David fighting America's Big Tech Goliath, armed with a modest cluster of artificial intelligence chips and a small crack team of engineers.

His computational projectile was a series of papers released by his AI start-up DeepSeek, which appeared to show that it was possible to build powerful large language models with far fewer Nvidia chips than US rivals. Global investors wiped almost $600bn off Nvidia's market capitalisation as a result, questioning whether pouring hundreds of billions of dollars into gargantuan AI computing clusters was necessary.

These concerns were all far from the minds of Mililing villagers, a small community in the southern province of Guangdong where Liang grew up and where the 40-year-old billionaire returned home for the Lunar New Year holiday, flanked by security guards. Mililing is so small that there appears to have hitherto been nothing written about it online in English.

The reception was jubilant. "Liang Wenfeng returns to his hometown to spread good results and add energy to rural revitalisation," wrote one banner adorning an inflatable red arch.

Liang's family home has become an unlikely pilgrimage site for those interested in seeing where this reluctant celebrity was raised. But while his neighbours praised his achievements, none could say much about the current life of the mysterious man who has sparked an existential panic in Silicon Valley. DeepSeek and Liang did not respond to a request for comment.

Locals say Liang comes from a family of educators. His parents and grandfather were all teachers.

"His parents are good people. He left the village for school at a young age," says one neighbour also surnamed Liang but not related. Mililing, he says, is a village "of a thousand Liangs".

At the middle school in the nearby town, one of his teachers says Liang stood out in the 50-student class as "well behaved and mild-mannered". "He was a top student, especially in maths. He liked reading comic books," he adds.

Liang left high school in 2002 and went to Zhejiang University to study an undergraduate degree and a masters in computer science, where he penned a thesis on motion detection algorithms. After graduating in 2010, he parlayed his computing skills into automated stock trading, first freelancing then at his own hedge fund High-Flyer in 2015.

High-Flyer has grown to become one of China's top four quant funds, using algorithms to execute trades. After building a fortune in trading, Liang pivoted into generative AI, utilising both talent and computing resources from High-Flyer to launch DeepSeek in 2023.

One manager at a rival fund who has known Liang for years says: "He stands out from our crowd because he's a true engineer. He thinks and acts like one. While we're managing people and funds, he is coding every day."

Liang's stated goal with DeepSeek is to pursue artificial general intelligence, a holy grail that OpenAI is also working on, which will herald a time when computers are capable of humanlike critical thinking. The fund manager says Liang will finally "be able to entirely remove the human factor" by achieving AGI.

Liang's fellow quants are happy to see him find success with DeepSeek. "I hope this will mean Beijing will be more friendly to us," says another trader.

While quants are revered in the west as financial geniuses of the digital age, they have been vilified in China. During stock market routs, regulators have limited their activity, accusing quants of profiting at the expense of the country's roughly 200mn retail investors. The wider finance industry has also experienced a number of rocky years, with officials capping pay at state-owned funds and criticising the sector for not contributing to societal development.

Beijing has a more positive attitude towards AI companies and has recognised Liang's contributions at DeepSeek. Before the holiday, he was selected as the only AI leader to join a publicised meeting with China's second-in-command, Li Qiang. Along with a small group of entrepreneurs, he was exhorted to make technological breakthroughs for the country.

> 'He thinks and acts like an engineer. While we're managing people or funds, he is coding every day'

In public, Liang has remained silent, even as he has become a focal point in US-China tensions, with some US lawmakers reacting to DeepSeek's progress by suggesting further limits on China's access to Nvidia chips.

Liang's silence is true to his character. "For those who know him well, he can talk a lot when it's a topic of interest. You need to get used to his communication style. He's not being rude when he's suddenly quiet, which often happens. He's thinking," says another fund manager. "If he doesn't want to talk to you, he'll let you know."

DeepSeek has not responded to attacks from US rivals, which range from accusations of technology theft to claims that the company is being used as an asset of the Chinese state.

The internet has also been left to hunt for clues about Liang, dissecting the sparse public information available.

But for residents of Mililing, he represents something more innocent: a hard-working student from a small farming community that made it big.

"We all grew up in this village," says Leon Liang, who used to play football with the younger Liang. "We're very proud of him."

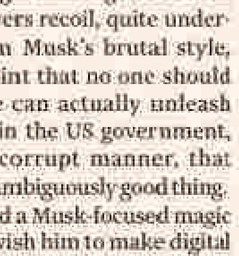
Additional reporting by Ryan McMorrow in Beijing

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The US state badly needs a digital makeover

AMERICA

Gillian Tett



Here we go again. In recent years, the entrepreneur Elon Musk has become (in)famous for being so maniacally focused on overhauling entities such as Tesla and X that he has slept in offices and fired employees he considered uncommitted.

Now he wants to do the same at Donald Trump's White House. This week, 2mn federal employees were asked to resign if they did not want to come into the office (and, by implication, embrace the reforms Musk is hatching at the new Department of Government Efficiency he leads).

The White House apparently expects 5-10 per cent of staff to take the offer, saving $100bn annually. And to reinforce the message, Musk even dispatched the same "Fork-in-the-road" meme used when he fired staff at X.

Unions will undoubtedly howl. So will progressives. And Musk's plans will probably face legal challenges. But even as many observers recoil, quite understandably, from Musk's brutal style, there is one point that no one should ignore: if Doge can actually unleash digital reform in the US government, and in a non-corrupt manner, that would be an unambiguously good thing.

Indeed, if I had a Musk-focused magic wand, I would wish him to make digital reform, not trolling his critics, Doge's main priority. Digitising government is not just the key to creating greater efficiency and effectiveness; it could also restore some of the public's shattered trust in the state.

The reason for this is that America is bedevilled by a paradox. On the one hand, its private sector is extraordinarily dynamic, and driving much of the 21st-century tech revolution, with its laser-like focus on consumers. But on the other, its government bureaucracy is sclerotic and inefficient, with an antediluvian approach to technology.

So much so, in fact, that the US does not even feature in the UN's 2024 list of the 18 most tech-savvy e-governments, ranking well behind countries such as Estonia, Singapore and Denmark, and even Saudi Arabia. That is shocking.

Previous administrations have tried to change this. In 2014, Barack Obama created the United States Digital Service, in a bid to improve government tech after the botched rollout of his HealthCare.gov initiative. This has had some success. As Deloitte notes, the Inland Revenue Service introduced an automated paper returns-scanning process during the Covid pandemic which enabled it to scan "80 times more returns in the first quarter of 2023 than the whole of 2022". And during Trump's first administration, his son-in-law Jared Kushner tried to overhaul electronic record-keeping at the Department of Veterans Affairs (a laudable move that, sadly, had patchy results).

But reformers have faced big obstacles. One is a government culture of risk aversion, says Brett Goldstein of Vanderbilt University, who previously oversaw the Defense Digital Service at the Pentagon. Another is that federal structures are fragmented and plagued by outdated tech.

"There are 101 civilian agencies . . . and back in 2017 we were spending $60bn a year on [those] and half was on legacy systems," laments Chris Krebs, director of the Cybersecurity and Infrastructure Security Agency in the first Trump administration. "Now it is certainly more."

Another challenge, outlined in a recent book by Jennifer Pahlka, who has fought for tech reform, is that the government typically plans projects in a slow-moving, top-down manner — unlike the private sector, which uses an iterative, bottom-up, user-focused approach. The consequence is "concrete boat[s]", she notes. In other words, projects so heavy they sink.

Can Musk change this? Many techies hope so. "I think Elon is the right person for the job since he has a bottom-up approach and the energy and tenacity to go into the details," says Goldstein. Or, as Krebs, puts it: "What is happening now is much bigger and more intentional than [what we did before]."

And there is widespread consensus on what should be done: install a "software as a service" mentality into government that focuses on user needs, with a centralised "share services" model. That could create a co-ordinated procurement process that would slash costs, create a better experience for citizens and improve cyber defence.

> If I had a magic wand, I would wish Musk to make reform, not trolling his critics, Doge's main priority

Moreover, case studies show how to do this. Canada adopted a shared service approach more than a decade ago, notes Krebs. Estonia, Denmark and Singapore are also good models. And Ukraine offers a particularly inspirational example of how to build apps that provide government services to citizens.

So will Musk ever succeed in inculcating these non-American lessons? Does he have the tenacity, force and staff for a lengthy cultural fight? We don't know.

But one thing, at least, is clear: if Musk does manage to import approaches from places such as Estonia or Singapore — and in the process create a functioning e-government in the US — he will deserve praise from Republicans and Democrats alike. So, please, Elon: focus on that, not political posturing. Future generations of Americans will thank you.

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Opinion

Britain must decide if it is to remain a serious player on defence

Fiscal constraints put Starmer and Reeves in an unenviable situation, but Trump has changed the debate



SECURITY

Camilla Cavendish



Mercurial Donald Trump may be, but he has a gift for shifting the debate. And sometimes, he is right. When it comes to defence spending, the only surprise is how long Europe's Nato members have managed to freeride on US taxpayers.

Europe is rearming, and not only because of the fear that Trump will call for members to spend 5 per cent of GDP on defence at Nato's June summit. Russia's nuclear rhetoric, cyber attacks, the sabotage of undersea cables in the Baltic Sea and China's vast new military command centre demonstrate that, as Ursula von der Leyen, European Commission president, said last year, "the world has "got rougher".

Russia's neighbours have been upping their game for some time. Poland's military outlay is already 4 per cent of GDP and its armed forces are now the third biggest in Nato. In Sweden, every household recently received a government leaflet, "In Case of Crisis or War", advising on emergency evacuation and how to store food if power fails.

In Britain, the threat still feels remote. The government refuses to say when it will meet its target of raising defence spending from 2.3 per cent to 2.5 per cent, fearing unpopular deep cuts elsewhere. But time is not on its side.

> Successive governments have performed a delicate dance of the veils, but now the music has stopped

The UK still has a good story to tell. Our special forces, our intelligence services and our nuclear deterrent are a strong card for London in its relationships with Brussels and Washington. We play a leadership role in the Joint Expeditionary Force of northern and eastern European Nato members, we provide nuclear attack submarines to Australia through the Aukus partnership with the US and we are part of the Global Combat Air Partnership to build a next-generation warplane, with Italy and Japan.

Without commensurate funding, however, these involvements accelerate overstretch. Defence experts repeat the phrase "hollowed out". Britain is relying on shiny totemic kit — its aircraft carriers and Trident — to project a level of underlying muscle that it no longer has.

Even the 2.3 per cent is not quite what it seems, since it includes pensions. New "hunter killer" submarines have been stuck in port because of a lack of repair docks. General Sir Patrick Sanders, former chief of the general staff, has warned that Britain is no longer capable of launching the kind of operation it did in southern Iraq in 2003. The defence select committee complained a year ago that it could not even adequately judge Britain's readiness, because the Ministry of Defence is so much more secretive than Nato allies.

Prime Minister Sir Keir Starmer is waiting for the strategic defence review in the spring. The reviewers include Fiona Hill, a former White House adviser once described by Trump as "a deep state stiff with a nice accent" (she hails from County Durham). Hill knows better than most that Trump takes a maximalist position. Her memoir quotes the president, in his first term, complaining that advisers who criticised his threats to leave Nato were "ruining my leverage".

But even if Trump settles for more like 3.5 per cent, the UK is still in a fix. Starmer needs to decide, now, what spending envelope to give the reviewers. Some Labour backbenchers have warned that dithering is a mistake. Not all MPs or voters would support cutting transport, say, to fund defence. But few would want to see Britain let down Ukraine, after all we have done.

Britain now faces an existential question: are we going to remain a serious player or be exposed as a Potemkin power, talking a big game while resources dwindle? There is always disagreement behind the scenes on whether we should be fighting "the last war" or the next one. But the experience in Ukraine suggests winning requires both cutting-edge technology and conventional weapons, not one or the other. And that mass matters: in terms of troops, tanks and artillery. The ceasefire envisaged by Marco Rubio, US secretary of state, is likely to require America's European allies to help maintain a frozen zone between Ukraine and Russia, perhaps for some time.

There are always tensions, too, between the different armed services. But without a bigger fiscal envelope, it is unlikely that Britain can continue to be a serious player on both land and sea.

The fiscal constraints make this a hellish situation for the government. Chancellor Rachel Reeves didn't mention defence this week in her speech on growth, but it is a core part of the industrial strategy, and rightly so. Although the ministry of defence does not publish a complete analysis of where it sources weaponry, we know that parts of the F-35 fighter jets are being made here. The Typhoon weapons system, according to BAE Systems, has contributed £14bn to the UK economy in export sales. The industry supports an ecosystem of suppliers which contribute to regeneration.

Behind the scenes, there has been lobbying for both London and Brussels to exempt defence from fiscal rules on national security grounds — this seems unlikely to appeal to Reeves.

But there is yet another challenge brewing, from calls to boycott the defence industry. In 2020, the Supreme Court over-ruled the then Conservative government's attempts to stop the Local Government Pension Scheme divesting from defence, after an action brought by the Palestine Solidarity campaign. A number of local authorities have dumped defence stocks.

Successive governments have performed a delicate dance of the veils on defence, trying to maintain prestige while fudging resources. But now the music has stopped. The decision that Reeves and Starmer make in the coming months will have an impact on the UK's alliances, our perceived position in the world, and our perception of ourselves.

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Will you spend your pension before the chancellor does?



MONEY

Claer Barrett

For years, "spend your pension last" was the financial planning mantra recited by wealth managers. Following the Budget in October, this has changed to "spend your pension before Rachel Reeves does".

Inheritance tax will be extended to unspent pension pots from 2027 — prompting the well-advised wealthy to have a radical rethink of their retirement plans. Whether retirees opt to take money out of pensions and spend it, gift it to the next generation or leave it where it is, it is set to be a "gold mine" for the Treasury, generating £40bn in additional taxes over the next two decades, according to former pensions minister Sir Steve Webb.

This will be music to the ears of whoever might be chancellor by the year 2030 (I bet it won't be Reeves) when tax revenues from this change are predicted to accelerate. But could behavioural changes offer a near-term boost for the property market and the consumer economy?

Webb is well placed to calculate the potential upside. Now a partner at consultancy LCP, he has based his estimate on the huge number of final salary pensions that were transferred out of defined benefit schemes between 2015-2020, typically by men in their late 50s working for blue-chip companies.

The era of ultra-low interest rates ensured high transfer values, tempting over 100,000 retirees to trade the security of an income that would die with them for a more flexible investment pot they could pass to their heirs free of IHT (and in some cases, free of income tax) — until now.

Spouses and civil partners aside, from 2027 anyone inheriting a pension pot could have to pay IHT and income tax at their highest marginal rate. To avoid this "double taxation", financial advisers and their clients are weighing up the merits of upping pension withdrawals. These would be subject to income tax, but prudent use of gifting allowances (including the so-called "seven year rule") could lessen IHT liability, or remove it altogether.

Gifting property deposits to children or grandchildren will be the first thought for many. Last year, the bank of mum and dad spent £9.2bn supporting 335,000 house purchases in the UK, according to Legal & General, with almost half of buyers under 35 receiving family assistance. If this ratio rises as Reeves tweaks mortgage affordability for first-time buyers, it could boost property prices and stamp duty revenues.

> Whether retirees opt to take money out and spend it or leave it, it is set to be a 'gold mine' for the Treasury

David Hearne, a chartered financial planner at FPP, says the measures will reshape the great generational wealth transfer. Many of his clients are now considering making regular pension withdrawals (incurring income tax on the way out) and funding pension contributions for their adult children, who will receive tax relief and employer contributions on the way in.

He predicts equity release to extract value from the family home will be a popular tool. Money taken that way can be spent or gifted, with debts reducing the value of the estate and lessening the sting of IHT bills.

To encourage wealthy retirees to spend and enjoy their money, Hearne keeps a big reel of 40-per-cent-off stickers on his desk as a conversation starter. "Spending £20,000 on the trip of a lifetime could be seen as only costing £12,000 as the money won't be subject to 40 per cent IHT when you die," he says.

As advisers and their clients rejig plans, could this pulling forward of spending help to turbo-charge VAT receipts and boost the lacklustre UK economy?

Despite LCP's punchy predictions, Paul Dales, chief UK economist at Capital Economics, has doubts. "It's not a huge difference for the overall economy", he says, "although it could be for individuals or their heirs."

Much will come down to timing. If retirees pull more out of pension pots sooner than expected, this will reduce their spending power in later years. And while the wealthiest can spend (or gift) with confidence, the biggest worry for those less affluent is balancing investment risk against longevity risk.

Those in my own circle who netted tidy sums by transferring their defined benefit pension into a Sipp have had a nerve-racking week as DeepSeek roiled global stock markets.

Run down the pension too much, and they risk running out of money in retirement. Plus, they will have given up any spousal benefits in their defined benefit scheme and will need to provide enough for a surviving partner. This, and the lottery of care costs, could be a brake on spending and gifting.

Difficult choices lie ahead. But with more than half of all those retiring between now and 2060 forecast not to be saving anywhere near enough, these are nice problems to have.

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Maps distort reality yet reveal eternal truth on politics



WORLD AFFAIRS

Tony Barber

Well, is it the Gulf of America or the Gulf of Mexico? Is it Mount McKinley or Mount Denali? For Google Maps users, the answer will depend on whether you live in Donald Trump's America or the rest of the world.

In complying with Trump's insistence on renaming the gulf and America's highest mountain, Google said this week it had "a longstanding practice of applying name changes when they have been updated in official government sources".

Users of the app outside America will continue to see existing names, but this is unlikely to satisfy Mexican president Claudia Sheinbaum. Before Trump's inauguration, she took a swipe at his plans to retitle the gulf. Vast tracts of the US that once formed part of the Spanish empire and later Mexico might be renamed "América Mexicana", she suggested.

Google isn't the first and will assuredly not be the last mapmaker to fall in line with a government's wishes. Down the centuries, maps have served ideological, imperialistic, religious and cultural purposes more often than impartial scholarship — as Mark Monmonier, a US geographer, sets out in his book, *How to Lie with Maps*.

Great powers have a penchant for maps that express territorial claims or national grandeur. In recent years, China has held a "national mapping awareness publicity week", encouraging citizens to think of Taiwan and parts of the maritime zones of nearby Asian countries as Chinese.

In Vladimir Putin's Russia, the government has used anti-extremism laws to clamp down on maps that question whether Crimea, annexed from Ukraine in 2014, or the Kuril Islands, seized from Japan in 1945, belong to Russia.

> Can Denmark avoid ceding Greenland to the US by using cartography to flatter the president's ego?

Smaller countries are just as likely to get in on the act. Since the former Yugoslav republic of Macedonia gained independence in 1991, a long-running sore in relations with Greece and Bulgaria has been the use of nationalist maps that include parts of both countries as "Greater Macedonia".

Viktor Orbán, Hungary's prime minister, promotes maps that show his country with pre-first world war borders, including areas of modern Croatia, Romania, Serbia and Slovakia. Ludovic Orban, Romania's former premier, once brushed these efforts off with a Romanian proverb — "the sparrow dreams of the dough" — implying Hungary's leader was indulging in fantasy.

During the cold war, even weather forecasts contained political messages. West Germany's ARD network displayed Germany with pre-second world war frontiers, challenging the communist East German state's legitimacy.

Before our times, physical maps published with explanatory texts often betrayed their creators' assumptions. An 18th-century Japanese map of the world observed of Brazil: "The inhabitants of this country do not build houses . . . They like to eat human flesh; however, they only eat men and not women. Their clothes are made from birds' feathers."

In western countries, our mental picture of the globe remains profoundly influenced by a 1569 map produced by Gerardus Mercator, a Flemish cartographer. In his effort to depict the three-dimensional Earth on a two-dimensional map, Mercator made places far from the equator look relatively larger. This is why Greenland appears about the same size as Africa, though it is not even a tenth as big.

Come to think of it, could Denmark avoid ceding Greenland to the US, as Trump wants, by using maps to flatter his ego? A US-friendly government in Warsaw once proposed naming a Polish military base after the president. That brainwave came to nothing — meaning the name is free for use. Perhaps Greenland's capital, Nuuk, known until 1979 as Godthåb, could be renamed Fort Trump.

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After Hindenburg Activist short sellers are quitting the arena as booming stock markets take their toll on returns ● PAGE 15

Companies & Markets

Ex-Trafigura operating chief sentenced for Angola bribery

● Wainwright given 32-month jail term ● Swiss case lifts lid on oil trading deals



Mike Wainwright, right, arrives with his lawyer for the trial's opening at Switzerland's federal criminal court in Bellinzona in December — Francesca Volpi/Bloomberg

TOM WILSON — LONDON

Trafigura's former chief operating officer has been sentenced to 32 months in prison for bribing a foreign official, marking the first time a top executive from a major commodity trader has been found guilty of corruption.

Mike Wainwright, who served as chief operating officer from 2008 until last year, was convicted by a Swiss court yesterday of paying more than €5mn in bribes to secure oil trading contracts in Angola between 2009 and 2011.

Part of the 32-month sentence was suspended, with Wainwright ordered to serve at least 12.

Trafigura was found guilty of not having sufficient systems in place to prevent the bribery and ordered to pay more than $148mn in fines and compensation. It is the first time a company has been convicted at trial in Switzerland for bribery-related charges.

The conviction will be heralded as a landmark moment by anti-corruption campaigners, who have long called for Swiss courts to scrutinise the activities of the many commodity traders based in the country.

Trafigura is registered in Singapore but its chief executive and most of its senior management sit in Geneva.

The decision marks a further setback for Trafigura, which has been trying to move on from allegations of past corrupt dealing. Last year, it pleaded guilty in the US to paying almost $20mn of "corrupt commissions" in Brazil.

The company said it was "disappointed" by the Swiss decision. "Trafigura has invested significant resources in strengthening its compliance programme over a number of years," it said. "This includes implementing mandatory training for all staff, continuously strengthening its compliance policies, procedures and controls."

During the trial, prosecutors described Wainwright as "the linchpin of the scheme" and accused the British executive of having "used methods worthy of a seasoned criminal" to disguise his activities.

The payments were made via third parties to an Angolan government official in exchange for oil bunkerage and shipping contracts worth more than $140mn in profits, the prosecutors alleged. The Angolan official and a third person, a middleman, were also convicted.

Trafigura was founded in 1993 when

> Prosecutors accused the British executive of having 'used methods worthy of a seasoned criminal'

French trader Claude Dauphin and four other executives broke away from Marc Rich, the trading industry godfather who was by then wanted by US authorities for tax evasion and violating Iran sanctions.

Angola was central to Trafigura's growth under Dauphin, who died in 2015. For years Trafigura dominated the supply of petroleum products in the country, generating bumper profits that supported the company's transformation from a scrappy trader into a global commodity giant.

Wainwright joined Trafigura in 1996 and was one of the most senior people in the company for almost two decades.

A lawyer for Wainwright said that his client would appeal against the verdict. "The court found Mr Wainwright guilty based on general assumptions and disregarded key evidence that shows he was not involved in any bribery scheme," he said.

"Mr Wainwright maintains that he has never made, or helped make payments with a corrupt intent."

Under Swiss law those convicted continue to benefit from the presumption of innocence until any appeal process has been completed. Wainwright will only be required to serve the prison sentence if his planned appeal fails.

Trafigura did not say whether it would appeal against the decision, stating only that it was "reviewing the matter".

Putin approves sale of Goldman's Russian unit

ANASTASIA STOGNEI — BERLIN
JOSHUA FRANKLIN — NEW YORK
JOSEPH COTTERILL — LONDON

Vladimir Putin has approved Goldman Sachs' sale of its Russian subsidiary to an Armenian investment fund, completing the US investment bank's exit from the country almost three years after it first pledged to leave.

The sale to Balchug Capital for an undisclosed amount comes as western banks have struggled to secure sign-offs for disposals of their businesses in Russia since the president launched a full-scale invasion of Ukraine in February 2022.

Although Dutch lender ING announced its exit on Tuesday, taking a hit of €700mn, some larger operators — notably Raiffeisen — have yet to make visible progress in leaving Russia despite continued criticism.

Russia has sharply tightened restrictions on business sales by companies from "unfriendly" jurisdictions since the invasion. Deals require state approval and must be priced at no more than 50 per cent of market value.

For some banks and energy firms, the rules are even stricter: under regulations introduced later in 2022, their sale must be personally approved by Putin.

Goldman's exit, which was approved in a decree published yesterday, marks the end of almost three decades in Russia for the bank. It launched with great fanfare in 1998, and counted former US president George HW Bush among the guests at its Moscow office.

But Goldman had a relatively modest presence in the country, offering investment banking services in Russia while steering clear of retail clients.

Goldman now ranks 229th by assets among Russian banks, according to the Banki.ru platform. ING ranks 66th.

Goldman declined to comment.

The US bank's assets have fallen over the past year. In the first nine months of 2024, Goldman Sachs' assets in Russia fell about 9 per cent from the same period a year earlier to Rbs4.95bn, while liabilities fell 50 per cent to Rbs1.31bn.

However, Goldman's net profit grew,

> Goldman's exit marks the end of almost three decades in Russia for the bank

driven by lower operating costs and a more than fivefold surge in interest income. This was mainly due to deposits in other banks, which have benefited from rising interest rates in Russia.

Balchug Capital, founded in 2010 by David Amaryan, has closed at least three big deals acquiring western businesses leaving Russia within the past two years.

It bought Caterpillar's Russian assets in 2024, while the previous year it acquired the Pulkovo Sky business centre in St Petersburg from Finnish companies, and the Metropolis shopping centre in northern Moscow from US investors, including Morgan Stanley.

"They have the right connections," said one person involved in multiple corporate exits.

Financial services

DWS appoints EY as auditor despite suing it over Wirecard

FLORIAN MÜLLER — FRANKFURT

Deutsche Bank's asset manager DWS has picked EY as its new group auditor despite taking the accounting firm to court for its involvement in the Wirecard scandal.

The appointment, which is subject to shareholder approval, would be the second high-profile mandate that the Big Four group has won since being banned from taking on new listed audit clients in Germany because of failures in its work for the collapsed payments company. EY's ban took effect in March 2024, which means it is free to take on clients from the end of March 2026.

DWS investors will be asked to vote on EY's appointment as statutory auditor for the 2026 financial year. The vote is likely to be a formality as Deutsche Bank owns almost 80 per cent of DWS and is already audited by EY.

"This is not a completely ordinary situation, but, of course, some people are very pleased," a person familiar with EY's position said. "It shows that EY is still a relevant player despite the Wirecard legacy."

Several funds managed by DWS bought shares worth hundreds of millions of euros in Wirecard shortly before the company collapsed in 2020 in one of Europe's biggest accounting scandals. DWS subsidiaries later sued EY on behalf of the funds affected.

The German asset manager said the appointment of EY as group-level auditor would not raise conflict of interest issues because an alternative auditor would audit the funds taking legal action against the Big Four firm.

"Possible, albeit unlikely, conflicts of interest are avoided by the fact that these subsidiaries will not be audited by EY Germany," DWS declined to comment further on "ongoing legal disputes" but will retain French accountants Mazars to audit the subsidiaries. Mazars and EY already work together on the audit of Deutsche Bank Group, people familiar with the matter said.

EY has lost market share in Germany since the Wirecard scandal, with the firm eventually accepting the two-year ban and €500,000 fine. DWS would be the second new German-listed client after the ban, following Qiagen, a biotech group.

Mazars and EY declined to comment.

Technology. Stocks

DeepSeek shock will not derail Wall Street's AI-powered rally, say fund managers

Market sell-off seen as a blip but Chinese start-up may yet trigger rotation in tech sector

GEORGE STEER — NEW YORK
IAN SMITH — LONDON

The artificial intelligence-powered rally in US stocks has further to run, say equity investors, although the "wake-up call" from Chinese start-up DeepSeek is likely to reorder the winners and losers from the rapidly evolving technology.

DeepSeek last week unveiled a cutting-edge reasoning model capable of competing with those designed in the US — but apparently for a fraction of the cost — sending shockwaves through equities markets and reigniting fears among some investors of a repeat of the dotcom crash at the start of this century.

By the end of Monday, chipmaker and stock market darling Nvidia had shed almost $600bn, the biggest one-day loss in US history. A ferocious US tech sell-off spread to energy stocks and utilities expected to benefit from demand for power to fuel AI data centres.

The sell-off has since run out of steam. While Nvidia remains close to Monday's low, the broader US market has rallied, as some investors have bet that the initial panic was overdone, with the tech-heavy Nasdaq largely recovering its losses for the week.

"DeepSeek isn't devastating for the overall market. The impact will be far more subtle," said Alicia Levine, head of investment strategy and equities at BNY Wealth. She expects healthcare stocks and other companies with access to large amounts of data to reap the rewards as investors move into less richly priced areas of the market.

"If AI becomes cheaper and faster, it makes sense that those companies would see a boost in value," Levine said.

The "picks and shovels" companies in the energy and infrastructure sectors, which have been among the main beneficiaries of Big Tech's capital expenditure on AI, may suffer most, she added.

Megacap tech stocks and excitement around the potential of AI have been the main driver of the US stock market's strong performance in recent years. Last year, the so-called Magnificent Seven tech stocks were responsible for more than half of the S&P 500's gain.

However, bears fear that DeepSeek's breakthrough could have huge implications for the spending plans and valuations of some of the Silicon Valley giants that have driven that rally, and for the wider, top-heavy US market, where the largest 10 stocks now account for almost two-fifths of the S&P 500.

DeepSeek "tells us there is growing competition and AI may be harder to monetise than assumed", said Robert Almeida, global investment strategist at MFS Investment Management. He says the Chinese firm represents the start of a new capital cycle, creating "growing supply, growing competition, and lower returns" that may threaten the high valuations of the big AI incumbents.

Billionaire investor Ray Dalio told the Financial Times this week that AI hype had fuelled a "bubble" in US equities. Beyond Nvidia, big losers were chipmaker Broadcom and energy groups GE Vernova and Constellation Energy.

But many investors and analysts say the sell-off was a blip rather than the start of a fundamental market shift.

"I don't think [we're in] a bubble and I don't think we are about to see a bubble burst," said Peter Oppenheimer, Goldman Sachs' chief global equity strategist. Instead, DeepSeek was simply a reminder that the "dominant tech companies are not immune from disruption and competition".

Investor appetite for US tech companies appeared undimmed on Thursday, when shares in Tesla and Meta rose after they pledged to pour billions more dollars into AI infrastructure.

Some say DeepSeek's cheap alternative to OpenAI's popular ChatGPT app could spur even higher AI spending in the US. Bank analysts' notes last week talked of the so-called Jevons paradox — the theory that demand for technology such as AI will surge as it becomes cheaper and more energy efficient, leading to an overall increase in energy use.

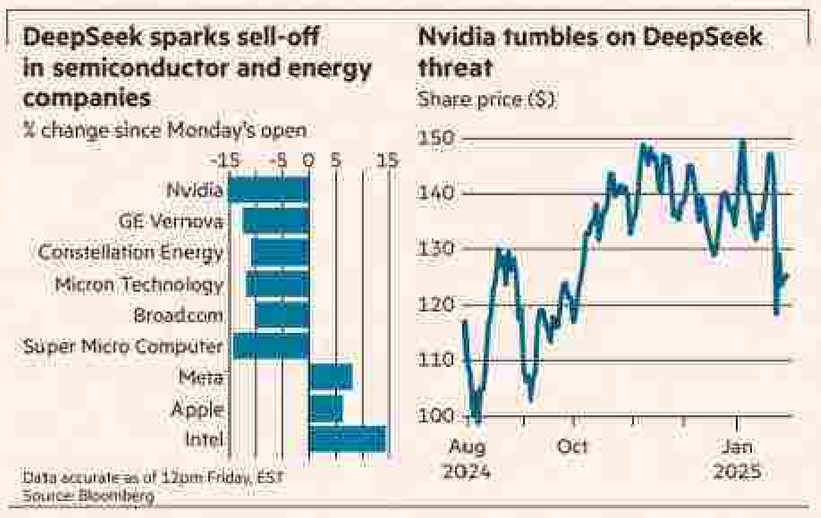
"Everybody is [too] negative. [DeepSeek] is not going to change the underlying demand for computing capacity," said Christopher Rossbach, chief investment officer at Nvidia shareholder J Stern & Co. He does not believe Nvidia is overvalued, and says that rising profits will support the stock price of some Big Tech firms. "You may not have an increase in the valuation but you will benefit from the growth in earnings, in revenues and in cash flows."

Venture capitalist Reid Hoffman, billionaire co-founder of LinkedIn and Manas AI, sees DeepSeek's breakthrough as bullish for the wider AI sector. "DeepSeek isn't a game-changer for global AI hegemony, but it is a welcome wake-up call that China's competitive talent is very capable," he told the FT.

Some even say this week's market turmoil could spark a healthy rebalancing for the wider market.

Marko Kolanovic, JPMorgan's former chief global markets strategist — who has long warned of the risks to market stability from investors piling into the same handful of stocks and trades — said Nvidia's 17 per cent decline on Monday should give the market a "shot in the arm". The past week's sell-off may trigger a rotation within the tech sector into relative "laggards" such as Apple, he said.

Additional reporting by Mari Novik and Harriet Agnew in London



Person in the News page 9
Nvidia boss to meet Trump page 12

COMPANIES & MARKETS

Technology

Nvidia boss to meet Trump as anxiety rises over AI

Talks come amid calls to tighten export controls after DeepSeek's advance

DEMETRI SEVASTOPULO — WASHINGTON
TIM BRADSHAW — LONDON

Nvidia chief executive Jensen Huang was set to meet US President Donald Trump for the first time at the White House yesterday as Washington and Silicon Valley weigh their responses to Chinese start-up DeepSeek's AI breakthrough.

Two people familiar with the meeting said it had been planned before DeepSeek stunned Silicon Valley with AI advances apparently achieved using far less computing power than US tech groups. The news wiped almost $600bn from the value of Nvidia, one of the biggest winners from spending on AI chips, on Monday.

DeepSeek's AI leap has sparked calls in Washington for the US government to further tighten export controls on AI-related technology to make it even harder for China to make advancements in the sector.

On Monday last week, the same day that DeepSeek released its latest model, Trump issued an executive order telling the state department and commerce department to review the US export control system "in light of developments involving strategic adversaries".

The meeting between Trump and Huang was due to include discussion of AI policy, according to a person familiar with the arrangement. On his first day in office, Trump revoked a Biden administration executive order focused on AI safety and he has generally been regarded by tech executives as accelerating America's advances in the fast-moving technology.

Nvidia has long protested against the widening of US export controls that limit sales to China of its most powerful processors for AI. The Silicon Valley-based chipmaker has argued that constraining Chinese companies' access to American technology would only fuel China's innovation and development of its own local semiconductor industry.

DeepSeek said its breakthrough AI model was created using a fraction of the computing resources of US rivals such as OpenAI or Elon Musk's xAI, which are assembling clusters of hundreds of thousands of chips. The final training run for its V3 model cost $5.6mn using just over 2,000 Nvidia chips, DeepSeek said in a research paper, although that figure excluded prior development costs.

Analysts at SemiAnalysis, a chip consultancy, have estimated that DeepSeek and its sister company, hedge fund High-Flyer, have access to about 60,000 Nvidia graphics processing units and have spent more than $500mn on chips.

Nvidia, which was the most valuable US company until Monday's stock market slump, was co-founded by Huang more than 30 years ago, turning the Taiwan-born businessman into one of America's richest people. He is now one of Silicon Valley's longest-serving CEOs.

In a letter to Mike Waltz, the US national security adviser, the Republican chair and top Democrat on the House China committee said the DeepSeek advance underscored the need for "frequently updating export controls". Josh Hawley, a Republican senator, has also introduced legislation that would prohibit the export to China of AI technology.

Customers with billing addresses in China, including Hong Kong, accounted for $11.6bn in revenues in the nine months ending in October, according to Nvidia's latest results. Nvidia declined to comment on the Trump meeting.

See Person in the News

Calm Anglo-Catalan becomes Spain's key corporate fixer

Spotlight

Marc Murtra
Executive chair, Telefónica



Steely politeness: multilingual Marc Murtra has emerged as a trusted confidant of Prime Minister Pedro Sánchez and has been tasked with making Telefónica a European champion — Kike Rincón/Europa Press/Getty

Quiet entrances are not Marc Murtra's thing. When the Spanish government abruptly installed him at Telefónica last month after kicking out its executive chair, the opposition leader called Murtra an agent of political "colonialism" furthering Spain's "anti-democratic drift".

Such hyperbolic fury is inescapable when you are the favourite corporate agitator of Pedro Sánchez, the divisive socialist prime minister with an interventionist streak.

Murtra has emerged as the premier's go-to fixer for businesses in need of change. The British-Spanish executive brings a steely politeness to the task — but the results were explosive the first time he was deployed.

In 2021, Sánchez ousted the boss of defence technology group Indra and parachuted in Murtra, triggering accusations of crony capitalism and governance heresy from the right. Many board members doubted Murtra's credentials and fought to ensure he had no executive powers as chair.

But they got their comeuppance a year later when he helped get five independent directors voted out at a tumultuous shareholder meeting. Another resigned in protest. Last year, Murtra finally got some of the executive authority he had coveted.

For a lad born in Blackburn in the north of England, Marc Thomas Murtra Millar has travelled a long way to the crossroads of money and power in Spain.

Valued at €22bn, Telefónica lost roughly half its value during the nine-year tenure of Murtra's predecessor, who slashed its debt but was short of big ideas. Now the government has other concerns.

After Saudi Arabia's STC said it was building a 10 per cent stake in Telefónica in 2023, Madrid ordered the Spanish state to acquire 10 per cent, while CriteriaCaixa, a friendly private institution, did the same. All three joined forces to install Murtra.

According to former Telefónica executives, two things about the company have long attracted governments: its clout as one of Spain's biggest advertisers, which translates into media influence, and its control of communications data vital to intelligence agencies.

> 'He was always an admirer of Tony Blair, which made him different from others'

More recently, as the EU battles perceptions of economic decline, some officials see Telefónica as a potential consolidator that could acquire the heft to compete as a European champion, based in Madrid.

But the number of executives to whom Sánchez would entrust it is small. The premier is deeply unpopular with Spain's mostly conservative business elite, which leaves him with only a small pool of like-minded talent to pick from. That helps explain how leadership of Telefónica fell to the grandson of a local doctor who once practised in the small town of Oswaldtwistle.

Murtra's mother was an English-Northern Irish nurse who met his father, a heart surgeon from Catalonia, while he was working in the UK. The family moved with him to Spain before Murtra's first birthday and he grew up in Catalonia, although he spent two years back in Lancashire as a boarder at Stonyhurst, a leading Catholic school.

At home he spoke Catalan to his father, English to his mother and Spanish to his sister, absorbing a natural cosmopolitanism that most executives learn only later in life.

Maurici Lucena, a longtime friend and chair and chief executive of Aena, Spain's airport operator, described Murtra as an avid student of history and political philosophy who was "calm, order-loving, pleasant" and had "a touch of shyness".

One senior figure in Spanish business said Murtra was an intelligent and refined navigator of corporate bear pits. "He knows how to get what he wants without being rude."

As Murtra grew older, he built ties with a circle of business-minded Catalan socialists, people who are proud of their region's distinct identity but have no desire for it to break away from Spain.

Murtra is close to Salvador Illa, a former Spanish health minister who became Catalonia's regional president last year and is himself a confidant of Sánchez. Such friendships would help him get where he is today, even though his own ideology is more centrist than some.

"He was always an admirer of Tony Blair, which made him different from others," said Ignasi Nieto Magaldi, managing director of paper maker Miquel y Costas, who has known him for many years. "He had a very liberal line on economic matters. His stance on non-economic issues was more social democratic than socialist."

Murtra studied industrial engineering at a university in Barcelona and then for an MBA from New York University. After starting his career at British Nuclear Fuels in the UK, he took jobs in Spain in consulting and the public sector, where he led a state agency promoting digitalisation and spent two years as chief of staff to a Spanish industry minister, another Catalan socialist.

He switched to the private sector in 2011, setting up Barcelona-based boutique investment bank Crea Inversión, which gave him ample M&A experience.

"Often people say: 'He's political, he's just a guy with connections,'" said Nieto. "But I disagree. Aside from all his training, he created a business and it did really well."

Still, when Murtra was tapped to lead Indra, which is 28 per cent owned by the Spanish state, he was largely unknown. His mission was to convert the company from a radar-centred technology business that happened to serve defence clients into an unabashed defence company that was proud to supply the armed forces. Russia's assault on Ukraine helped him prevail. But the war of attrition with independent directors who opposed him was painful.

After they were ousted, ultimately by shareholders, the blaze of bad publicity was intense. Rodrigo Buenaventura, then head of Spain's market regulator, said the episode "demonstrates a way of doing things that should be banished from the practices of Spanish companies". There was speculation that Murtra would be sacked by Sánchez for not orchestrating events more quietly. But he survived and Indra last year reported the best results in its history.

His next mission? The Spanish government wants Telefónica to be a leading EU tech company, including in AI and cyber security. One route could be a cross-border merger with a rival such as Deutsche Telekom, provided EU antitrust regulators loosen up. Another could be fusing with Spanish satellite group Hispasat or, more outlandishly, with Indra.

No such deal would be easy. But for all his gentle manners, Murtra has shown that when he has orders from above, his single-mindedness can be brutal.

Barney Jopson in Madrid

Media

Warner Bros strikes $1bn deal for back catalogue of film and TV music

DANIEL THOMAS — LONDON

Warner Bros Discovery has struck a deal worth more than $1bn to create a joint venture that will own and manage almost 100 years of film and television music, including the theme from *Friends* and the soundtrack to the *Harry Potter* movies.

The sale of the library, one of the most valuable owned by a major Hollywood studio, will raise money for WBD as chief executive David Zaslav seeks to boost the company's share price and cut its debt.

The library includes some of the most recognisable theme songs and compositions, such as the original *Superman* score by John Williams. The music rights will be sold into a joint venture with UK-based Cutting Edge Group, a music financier and publisher, which will invest money into acquiring part of the portfolio and managing the assets.

German asset manager DWS is co-investing in the transaction. The deal is the latest to demonstrate the growing popularity of music rights as an asset class, attracting investors who want to benefit from revenue generated by streaming and performances.

CEG will be tasked with ensuring that royalties are being paid around the world, as well as seeking to drive income from the music through licensing deals.

The vast majority of the revenues from the more than 400,000 compositions and song cues will be from public performance rights, taking a fee every time one of the movies or TV shows is broadcast around the world.

The companies said that creating the joint venture would be one of the largest music rights transactions by value, spanning almost 100 years of copyrights. WBD will retain creative and operational control of the music.

The portfolio also includes music from movies such as the *Lord of the Rings* franchise, *Rebel Without a Cause* and *Blade Runner*, as well as TV shows including *Game of Thrones*, *Succession* and *The West Wing*.

CEG, founded in 2006 by entrepreneur Philip Moross, last year secured $500mn in debt funding to invest in creating and buying music rights for films, TV, theatre productions and computer games. Its portfolio of more than 2,000 titles includes publishing rights to films such as *Aquaman*.



Warner Bros Discovery's extensive music library includes the theme from the US sitcom 'Friends' Picture Lux/The Hollywood Archive/Alamy

Moross, whose negotiations to conclude the deal with the US media and entertainment company took several years, described WBD's music as an "iconic assembly of catalogues created over almost a century by one of Hollywood's original studios". As an asset class, music rights "continues to be very well-liked", he said.

Paul Broucek, WBD's president for music, said: "This partnership with CEG is the perfect way to expand access to our unparalleled music library while honouring our long history of strong creative oversight and protecting the integrity of the works and artists."

Tara Finegan, chief operating officer of CEG, said that the company was best placed to manage a catalogue that was "one of the best that exists" because it was an investor with a "fundamental understanding of these specialist music rights".

BUSINESS WEEK IN REVIEW

OpenAI hits back

- **OpenAI**, the US ChatGPT maker, claimed it had found evidence that Chinese artificial intelligence start-up **DeepSeek** used the San Francisco-based company's proprietary models to train its own open-source competitor, as concerns grow over a potential breach of intellectual property.

- **Deutsche Bank** chief executive **Christian Sewing** pledged to consider ditching weaker businesses as the German bank reported a 92 per cent year-on-year fall in profits to €106mn for the fourth quarter.



- **Ida Liu**, the global head of **Citigroup**'s private banking arm and one of its highest-ranking female executives, said she was leaving the US bank in a potential blow to chief executive **Jane Fraser**'s plan to grow its wealth division.

- **Mark Zuckerberg** is exploring buying a property in Washington, DC, as **Meta**'s billionaire founder steps up efforts to shape US President Donald Trump's approach to the technology sector.

- **Starbucks**, the world's largest coffee shop chain struggling with falling sales, introduced new policies for its 11,000 North American stores, saying people who do not make purchases may be asked to leave.

- **Virgin Money**'s AI-powered chatbot reprimanded a customer who used the word "virgin", underlining the pitfalls of rolling out external artificial intelligence tools.

> Starbucks' new policies for its 11,000 North American coffee outlets mean that non-paying visitors may be asked to leave

- **HSBC** is to shut key parts of its investment banking business in the UK, Europe and the Americas as part of chief executive **Georges Elhedery**'s plan to overhaul its operations.

- **Microsoft** shed $200bn in market value despite its cloud division notching up a 21 per cent rise in revenues from a year ago to $40.9bn, below Wall Street forecasts.

- **Tesla** sued the EU over tariffs the bloc imposed on imports of electric vehicles from China, in the latest confrontation between the carmaker's billionaire boss **Elon Musk** and Brussels.

- London-listed drinks company **Diageo** is to sell its subsidiary **Guinness Ghana Breweries**, days after denying reports that it was considering a sale of the entire Guinness brand.

92% Deutsche Bank's year-on-year drop in profits for the fourth quarter

$200bn Value lost from Microsoft stock after cloud sales missed forecasts

- A test aircraft built by US start-up **Boom** broke the sound barrier, potentially paving the way for the return of supersonic commercial travel more than 20 years since Concorde's final flight.

- **KPMG**'s UK partners enjoyed their biggest payday last year, with payouts up 9 per cent to an average of £816,000 as cost cuts lifted the Big Four firm's profit.

- UK-based bank **Barclays** tightened its working-from-home rules, telling most of its 85,000 employees to come into the office at least three days a week.

- **Santander**'s UK chair **William Vereker** resigned, exposing a rift with the bank's Spanish parent and its executive chair **Ana Botín**.

COMPANIES & MARKETS

Industrials

Smiths Group unveils break-up plan

Decision to sell or demerge two units coincides with calls from activist investor

SYLVIA PFEIFER AND JONATHAN WHEATLEY — LONDON

Smiths Group has announced plans to break up, heralding the end of the last large industrial conglomerate on the London market and sending its shares up almost 11 per cent yesterday.

Smiths, whose businesses span aerospace, communications, energy and security, said it would sell or demerge two of its four core divisions and return much of the proceeds to shareholders.

Setting out its plan, Smiths said it aimed to sell Smiths Interconnect, which makes electrical connectors, this year followed by a demerger or sale of Smiths Detection, known for its baggage-screening scanners at airports and equipment for detecting explosives.

The move by chief executive Roland Carter comes weeks after Engine Capital, a US activist investor with a roughly 2 per cent stake in Smiths, called on it to explore a break-up that would bolster its valuation.

Carter, a Smiths veteran who took over as chief executive from Paul Keel last year, said the overhaul had been under way before Engine Capital publicly criticised the group last month.

Under the plan, Smiths said it would instead focus on industrial technologies through its John Crane division, which makes seals and components that control the flow of liquids and gases, and its Flex-Tek business, a maker of heating elements.

"We wouldn't deny . . . that we were undervalued," said Carter, adding that the company was "very much in flight with [its] review well before" the intervention by Engine Capital. He said: "We wanted all the businesses to be doing incredibly well [and] wanted this to be from a position of strength."

Shares in the group jumped 10.8 per cent yesterday as investors welcomed the changes. Analysts at Jefferies said that the planned sale or demerger of the detection business "was not what we expected, but is a sensible course of action".

"This division has been one of the main reasons, in our view, that Smiths has not achieved a premium sector rating over the past few years," they noted.

Carter declined to comment on whether Smiths had already fielded interest from potential buyers for the two businesses being spun off.

The auction of Smiths Detection could attract scrutiny from regulators given its large market share and potentially also raise national security concerns because of its work as a government contractor, analysts said. The company is confident neither potential issue would prevent a sale or demerger.

Smiths announced recently that Clare Scherrer, its chief financial officer, would retire from her role at the end of January and leave the group in April.

Carter said yesterday that Scherrer had been "incredibly influential and supportive" of the plan. Julian Fagge, previously president of Smiths Interconnect, takes over as CFO.

Alongside the break-up plan, Smiths said it would expand a share buyback programme from £150mn to £500mn.

Following the disposals, the company, which has a market capitalisation of £7bn, said that it would remain in the FTSE index.

Food & beverage. Lunch battle

Itsu founder aims to take a slice from rival Pret

Metcalfe, who helped build the sandwich chain, has big plans for his Asian-inspired outlets

ERI SUGIURA AND JANINA CONBOYE
LONDON







Hunger games: clockwise from left, an Itsu sushi tray; a typical Pret outlet; Julian Metcalfe, who believes his Itsu can within five years overtake the company he co-founded

© Westmacott Williams; Ben Stansall/AFP/Getty Images; Charlie Bibby/FT

The founder of Pret A Manger believes his Asian-inspired food business Itsu will soon be bigger than the ubiquitous sandwich chain, as he bets on appetite from health-conscious consumers and international growth.

Julian Metcalfe said overtaking Pret, which he co-founded with friend Sinclair Beecham in 1986, had long been "one of my ambitions" for Itsu, which was launched a decade later to sell sushi to office workers seeking a more nutritious lunch.

"In five years, we'll definitely be much, much bigger than Pret A Manger because we'll have a really fast-growing relationship with customers and no one else can supply the sort of food that we do," Metcalfe, who sold his final stake in Pret in 2018, told the Financial Times.

He also took a swipe at his former company, saying Pret, where a chicken and bacon baguette costs £5.50, was "expensive", and that Itsu was the only brand providing "good, nutritious, affordable food" to UK consumers. Its small rice bowls start from £4.99, with frozen soup dumplings available at Tesco for £3.

Metcalfe's bullish comments underscore the appetite of ambitious food businesses to grab a bigger slice of the UK lunchtime market, amid growth of fast-food chains and the return of office workers after the Covid-19 pandemic.

New brands, from burgers to salad, fried chicken and Asian outlets, have pushed expansion to take advantage of the growing demand for fast-food.

The UK market is set to generate revenues of more than £19bn this year, up 3.8 per cent from in 2024 and exceeding the overall growth of 2.4 per cent for the wider food service sector, according to the Future Foodservice consultancy.

Yet most analysts viewed Metcalfe's ambition to take on Pret as overly optimistic, given the strong presence of the sandwich shop in cities across the UK. "Comparing Itsu to Pret A Manger feels a bit of a red herring," said Clive Black, head of research at Shore Capital.

"It would require quite an enormous organic store opening programme or an acquisition of a significant number of stores, or a collapse of Pret sales."

Itsu has 83 UK stores, heavily concentrated in London, a fraction of Pret's 493 shops across the country. Itsu's 2023 sales were £164mn, up 16 per cent year on year but well short of Pret's worldwide sales of £1.1bn. Internationally, Itsu has three stores in Brussels and Paris, compared with Pret's more than 200 sites in Europe, the US and Asia. Pret's first opening in South Africa this month will be its 20th international market.

> 'Expanding on to every high street like Pret is going to be very challenging'

Simon Stenning, the founder of Future Foodservice and a former Pret executive who worked alongside Metcalfe, said he too was "sceptical" of his ex-boss's plans.

"The reality is that the Pret offer is more mainstream, more widely accepted than sushi," said Stenning. "Expanding on to every high street like Pret is going to be very challenging."

Metcalfe's prediction is for Itsu's sales to overtake those at Pret by 2030, as the company plans to more than triple UK outlet numbers to 300 and expand its supermarket sales channel globally.

He said he was looking for franchise partners in countries such as Italy, Spain and Germany, to open hundreds of stores in the next decade.

The founder, who owns about 60 per cent of Itsu, also said he was on the hunt for a "global food manufacturer" to buy the company in about 2029, which was "a time when we do need a global reach".

Itsu chief executive Clive Schlee has about a 10 per cent stake, with the rest owned by Bridgepoint.

Itsu, which started as a conveyor belt sushi shop and expanded into takeaway, has cut its choices in raw fish and other cold food to increase hot meals such as dumplings, baos and noodles.

"Itsu is pivoting towards hot dishes as people view hot dishes as value for money," said Maggie Davis, insight manager at Lumina Intelligence.

She said changes in how consumers viewed healthy food — from low-calorie, vegan and vegetarian food to those beneficial to gut health, with an emphasis on fibre and protein — had created a desire for "health without compromising on taste", and Itsu had been a frontrunner of this trend with its "eat beautiful" branding.

Pret declined to comment. The group hit its 2021 target of doubling the size of the business by 2026 — three years ahead of schedule.

Ultimately, Itsu's growth plan will be driven more by the supermarket business, as Metcalfe predicted the segment would surpass the restaurant business next year. In 2023, Itsu Grocery generated 30 per cent of group sales at £48mn.

"The high streets, especially staff costs, are so expensive," said Metcalfe, and they would only rise further from April when an increased rate of employers' national insurance contributions kicks in.

In its grocery division, with its 90 products, "we're in 11,000 places and soon we'll be 200,000, so that's why grocery got such potential. People take home gyoza, baos or the soup dumplings that are very affordable," he said. Itsu products are in UK supermarkets and available in the Netherlands, Ireland and Spain, with an expansion planned in the US next year.

Analysts say the grocery offering was an advantage over Pret, which sells limited products such as frozen croissants. But Shore Capital's Black said fighting for supermarket shelves meant an "awful lot of competition" with retailers' private labels, especially on high-margin chilled products.

Black also flagged the related risk of increasingly cost-conscious customers switching away from eating out to buying more from supermarkets.

He questioned whether Metcalfe's view was "a sign of great growth ambition, or if it's actually a sign of maturity in the food and beverage market".

Itsu expects grocery sales to surpass those of its restaurants by 2026



Sources: Companies House; Julian Metcalf

Support services

Linklaters hires team of New York litigators in US growth bid

SUZI RING

Linklaters has hired a team of litigation partners in New York in the latest attempt by the UK's "magic circle" group of law firms to take on US rivals on their home turf.

Adeel Mangi, Muhammad Faridi, Diana Conner and George LoBiondo will be joining Linklaters from New York litigation boutique Patterson Belknap Webb & Tyler, the London-headquartered firm told the Financial Times.

The team has acted for large US corporations, such as Johnson & Johnson. Former US president Joe Biden had nominated Mangi to a federal appeals court judgeship, making him the first Muslim American to receive such a nomination, before it was controversially blocked by a lack of US Senate support.

Linklaters has been pushing in recent years to strengthen its US presence by hiring heavy-hitters rather than pursuing a merger. The firm brought in veteran dealmaker George Casey and his team from Shearman & Sterling last year, hiring a total of 10 partners for its US operations in 2024.

Bringing in rainmakers costs money and UK firms have historically struggled to match the pay packets of their US rivals. The "magic circle", including Linklaters, is now offering deals in the double-digit millions of dollars for key hires, according to people with knowledge of the compensation packages.

> 'Magic circle' firms are now offering deals in the double-digit millions of dollars for key hires

Linklaters declined to comment on the remuneration but its hiring has been aided by the decision to depart from its "lockstep" pay model, where compensation for partners increases based on years served. This has introduced greater flexibility in recent years to pay and recruit top performers.

"We modified our lockstep model to compete with US firms in the hunt for top talent . . . [this team] joining is another vote of confidence in where we're heading as a firm," said Aedamar Comiskey, senior partner at Linklaters.

The UK's elite firms have long struggled to make inroads in the world's most profitable legal market against established Wall Street outfits. Linklaters and Freshfields have attempted to increase their market share through individual hires, while Allen & Overy merged with New York's Shearman & Sterling in May last year. After a difficult US merger for Clifford Chance two decades ago, the firm has also been aggressively hiring in recent years.

There are signs that some of the strategies are starting to pay off. Linklaters and Freshfields have both won big-ticket work. Linklaters advised Volkswagen on its $6bn joint venture and investment with Rivian last year, the first time it has acted for the company on a US deal.

"Growing in the US by hiring top-notch talent in key practice areas is a strategic priority for the firm," said Comiskey. "But US growth isn't an end in itself — we simply want the very best US lawyers on our global platform."

Linklaters has 53 partners in the US across its New York and Washington DC offices. Patterson Belknap's co-chair and managing partner Dahlia Doumar thanked the litigation team for their contribution to the firm.

Retail

John Lewis warns staff of profit target miss

LAURA ONITA — LONDON

John Lewis Partnership has warned staff that it will probably miss an annual profit target after a lacklustre period in the run-up to Christmas.

The employee-owned retail group, which owns John Lewis and Waitrose, told its workforce that it was unlikely to hit an internal profit target of £131mn for the year to January. It blamed subdued consumer confidence for both chains missing sales expectations in the month to December 21.

The update excludes trading in the Christmas week, when retailers typically make considerable sums of money, but lays bare the challenges faced by new chair Jason Tarry as he attempts to reinvigorate both brands after a challenging period for the group and continued losses.

It also spells bad news for its 73,000 workers, who are waiting to find out if they will receive a bonus when the group shares its annual results in March. The company has said it would not pay a bonus unless it hit £150mn in profits after it scrapped the benefit for the first time since 1953 in 2020.

The group has had to contend with the Covid-19 pandemic and a period of high inflation while trying to improve trading amid fierce competition from rivals, as well as criticism that previous chair Dame Sharon White lacked the retail skills to turn the business around.

The group's former chief executive, Nish Kankiwala, also warned last year that increases in national insurance contributions announced by the government that take effect in April meant "tens of millions" of pounds in additional costs for the retailer.

John Lewis Partnership said it remained on track to deliver annual pre-exceptional profits higher than the £42mn it reported the previous year — an external target it shared in September. Its half-year pre-tax loss narrowed by 49 per cent to £30mn in the six months to July 27, from £59mn during the same period the previous year.

The internal trading update was first reported by The Telegraph.

Nick Bubb, an independent retail analyst, said that "if things had been good at John Lewis and Waitrose, we suspect they wouldn't have kept quiet", referring to the absence of a Christmas trading update, although the company does not typically share one any more.

The group has repaid £300mn of debt due last month, according to two people familiar with the matter, which will further strengthen its balance sheet.

Financials

Court orders former analyst to pay £586,000

SUZI RING

A former Goldman Sachs analyst convicted of insider trading and fraud must pay more than half a million pounds in confiscation, a London court has ruled.

Mohammed Zina, who was found guilty of insider dealing last year and sentenced to 22 months in prison, was ordered to pay £586,711 by a judge at Southwark Crown Court on Wednesday, according to the court and the Financial Conduct Authority, which prosecuted the case.

The court found that Zina had benefited by £1.1mn from his conduct, which included insider trading and taking out loans fraudulently from Tesco Bank.

Zina was ordered to pay the amount available from his current assets, according to the FCA and court records.

Zina, 36, was prosecuted alongside his brother, a former lawyer at UK "magic circle" firm Clifford Chance, in one of the FCA's most high-profile insider dealing cases in recent years. A jury unanimously found Zina guilty on all nine counts of insider trading and fraud.

Zina's brother, Suhail Zina, was acquitted before the trial ended after the FCA withdrew the fraud counts against him and the court ruled there was no case to answer.

During the trial, the jury heard how Mohammed Zina had made about £140,000 in profits from trading on stocks including semiconductor designer Arm and pub company Punch Taverns. His biggest gain was about £55,000 in profit on trades in US food company Snyder's-Lance.

"I cannot help but feel pity for you, because you have thrown away what was undoubtedly a promising career in banking," Judge Tony Baumgartner said at Zina's sentencing in February last year.

"Your reputation now is lost, and it is likely you will never be trusted to work in a position of such responsibility again."

Zina has three months to pay the confiscation order. Failure to pay would result in a default prison sentence of five years.

"Insider dealing harms the integrity of our markets. As well as prosecuting insider dealers, we will not allow them to keep any part of their illicit profits," said Therese Chambers, the FCA's joint executive director of enforcement and market oversight, in a statement yesterday.

A lawyer for Zina did not respond to a request for comment.

Asset management. Equities

Activist short sellers call it quits after stocks boom hits returns

Funds continue to bet against companies although the odds appear stacked against them

COSTAS MOURSELAS — LONDON

Nate Anderson, the founder of Wall Street's top activist short seller Hindenburg, announced last month that he was hanging up his boots. He is just the latest high-profile investor to call it quits.

Anderson, who was best known for betting against electric-vehicle manufacturer Nikola, Carl Icahn and India's Adani Group, blamed the "intensity and focus" of the job.

But activist short selling, where investors bet against companies and mount highly public campaigns, has become harder in a powerful bull market that many in the business say has made it difficult to generate returns.

Even non-activists' shorts have struggled: Jim Chanos shut his main short-focused hedge funds in 2023 after more than three decades. Bill Ackman, another prominent investor who used to take both long and short positions, said in 2022 that he would stop running public campaigns.

"Usually when people exit the short selling business it's because they have had significant failures or reversal of fortune," said fellow short seller Carson Block of Muddy Waters. "In Nate's case he is going out on top."

Sued by company executives, shunned by banks who are afraid of jeopardising client relationships and investigated by regulators, activist short selling can take a toll on its practitioners.

"Companies used to be very shy litigating against short sellers, but now they are less shy," said Gabriel Grego, founder of hedge fund Quintessential.

In a post on X last week, short seller Matthew Earl of ShadowFall jokingly referred to the strategy as involving "excruciating masochistic pain in the hope of then looking quite the man about financial town sometime later".

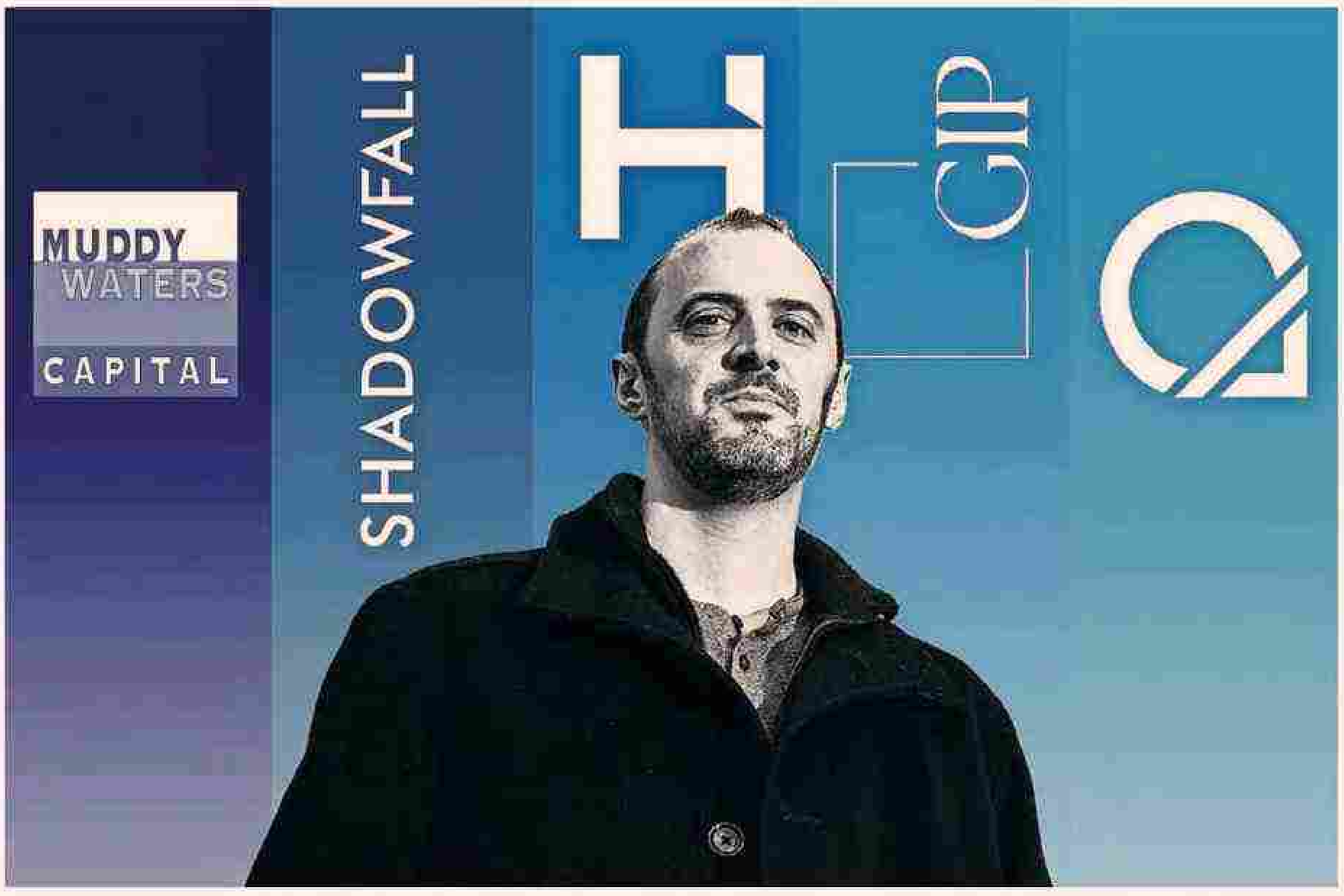
Some short sellers have come under fire for the arrangements through which they finance their positions.

The US Department of Justice last year accused Citron Research and its founder Andrew Left of concealing "financial relationships" with hedge funds and running a "market manipulation scheme". Left responded on CNBC that "everything's disclosed. I have disclaimers, the same disclaimers that every other activist, short seller, newsletter writer [has]".

Anderson's exit leaves a cottage industry of specialists that have tried to adapt with varying degrees of success.

Some investors argue that their reports need to be sharper and better evidenced to have a hope of affecting a company's stock price, especially in markets dominated by passive investing and trading algorithms.

Most short selling takes place within general long-short equity hedge funds, who more often buy companies than bet against them. This business, too, has been getting tougher: investors have been pulling money from the strategy in recent years. These are some of the short sellers still standing.



'Companies used to be very shy litigating against short sellers, but now they are less shy'

Carson Block: Muddy Waters

With Anderson exiting the stage, Carson Block's Muddy Waters is now Wall Street's best known activist short seller, having taken down a number of high-profile frauds.

Block began his short selling career by focusing on Chinese companies with a listing in the US and Canada, with his hedge fund's name derived from a Chinese proverb: "Muddy waters make it easy to catch fish."

His big break came in 2011 when he released a scathing report alleging fraud at Chinese forest plantation company Sino-Forest, which later collapsed into bankruptcy. The report caused about $460mn in losses for funds managed by US billionaire John Paulson and established Block as a short to watch on Wall Street. He has long since diversified into bets against western companies including FTSE 100 healthcare group NMC Health, which collapsed into bankruptcy in 2020.

Muddy Waters has kept its aggressive reports public, as opposed to some of its peers that have adopted a lower-key approach.

Matthew Earl: ShadowFall

Matthew Earl, managing partner of London-based hedge fund ShadowFall, is known for being one of the first short sellers to raise concerns over fraud and money laundering at German payments processor Wirecard.

He first made a name for himself more than a decade ago as a bank analyst, releasing a critical report of outsourcing company Connaught, with its chief executive calling his work a "masterful feat of incompetence". The company filed for bankruptcy less than a year later.

In 2016, under the pseudonym Zatarra Research, Earl and fellow short seller Fraser Perring anonymously released a report on Wirecard that brought attention to money laundering and fraud. Wirecard responded by threatening him with legal action and hiring an Israeli private detective to try to hack his computer.

Nicknamed the "dark destroyer", Earl set up his short selling hedge fund ShadowFall in 2017 and now manages more than $250mn. Aided by four analysts, Earl targets European mid-caps he deems to be overvalued but no longer publishes reports.

The firm used to have a research arm that published reports for a paying client base, but this was spun out as a new entity called Dragoneye Research.

Gotham City Research/ General Industrial Partners

Short sellers Dan Yu and Cyrus De Weck joined forces in 2022 to launch a hedge fund dedicated to short selling, with a particular focus on finding companies that mislead the market, including companies with allegedly questionable accounting.

Yu, of Gotham City Research, and De Weck, of Portsea Asset Management and subsequently General Industrial Partners, each had more than a decade of short selling experience under their belts, both having previously bet against collapsed companies Wirecard and South African retail group Steinhoff.

Yu was known for his successful short selling campaign against Spanish WiFi provider Let's Gowex, which filed for bankruptcy in 2014 having admitted that its founder had falsified company accounts. As with Block at Muddy Waters, De Weck made a successful bet against NMC Health.

Gotham City Research is the duo's outlet for reports, while General Industrial Partners deals with the management of the investments, about $70mn, according to one person familiar with the matter.

Their report last year against Spanish pharmaceutical company Grifols caused its shares to fall by a third but also attracted a lawsuit from the company and an investigation by Spanish authorities.

A separate US Securities and Exchange investigation into the two firms concluded without action, according to a letter sent on November 6.

Yu and De Weck work alongside two other analysts.

Gabriel Grego: Quintessential

Gabriel Grego's Quintessential is akin to a more conventional hedge fund that both buys and bets against stocks. Unlike conventional hedge funds, though, New York-based Quintessential publishes detailed reports against the companies it is shorting and has rooted out some high-profile frauds.

Quintessential is perhaps best known for its bet against Greek jewellery chain Folli Follie, alleging that the company was falsifying a significant proportion of its sales in China. Five of the company's top executives were given multiyear jail sentences last year.

Grego started his hedge fund in 2015, having worked as an investment banker and managed money for friends and family. Quintessential publishes far fewer reports than its competitors but has a significant hit rate, with four of the nine companies it has targeted going to zero.

Quintessential used to primarily focus on short positions, but increasingly the majority of the fund's positions are stock purchases.

Hunterbrook

Hunterbrook is an unusual combination of a journalistic venture with a hedge fund, initially conceived as a way to fund investigative journalism in a social media age that has not been kind to the industry.

Launched by investor Nathaniel Brooks Horwitz and writer Sam Koppelman in April last year, Hunterbrook has a team of journalists who publish investigations into companies. An affiliated hedge fund reads the articles and can take long or short positions ahead of time.

However, unlike other journalists, Hunterbrook's newsroom is tasked with only using publicly available information to avoid falling foul of US securities law. The firm hired former SEC lawyer Fitzann Reid to decide if an article from the newsroom should be shared with the hedge fund ahead of publication.

Hunterbrook raised more than $100mn for its hedge fund last year. It is one of the few new high-profile entrants into the short selling space in recent years.

Nate Anderson blamed the 'intensity' of the job for closing his fund. Carson Block, below, and Matthew Earl remain in the industry

FT montage/Washington Post/Getty



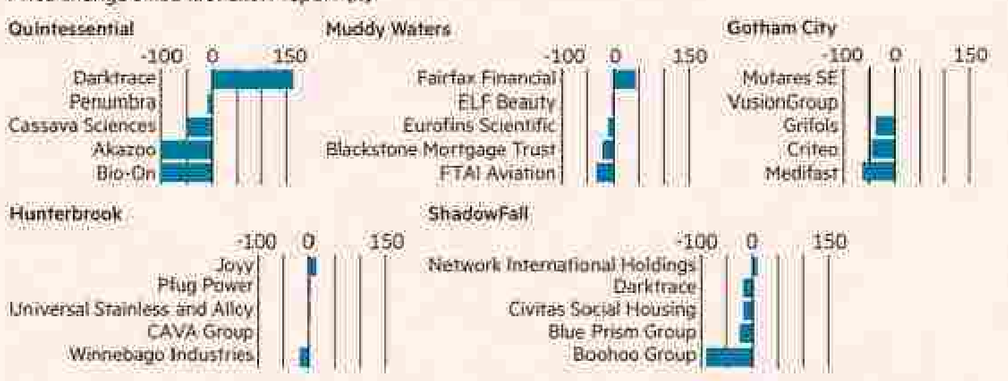


FT

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Short sellers' recent campaigns have had varying success

Price change since first short report (%)



Source: Breakout Point • Data show five most recent campaigns as of midday Jan 24 2025. Breakout Point ends tracking of campaigns after two years

Commodities

Gold price climbs to record high on US tariff fears as London supplies deplete

LESLIE HOOK — LONDON

Gold hit a record high yesterday as investors fretted over potential US tariffs and as a growing bullion stockpile in New York caused a London shortfall.

The benchmark price rose to $2,814 a troy ounce, taking its gains to 8 per cent this year, as traders hedge against a potential shift in US trade policy.

US President Donald Trump has threatened to impose 25 per cent tariffs on all the country's imports from Canada and Mexico from today, triggering fear in the market that sweeping tariffs could apply to gold, which has historically been exempt from import duties.

Traders have been amassing a bullion stockpile on Comex, the New York commodity exchange, where inventories have shot up 75 per cent since the US election. The value of the stockpile rose to $85bn on Thursday, representing more than 30.4mn troy ounces, according to Comex data.

The surge into New York has depleted stocks of readily available gold in London, where there is a queue of four to eight weeks to withdraw it from the Bank of England.

On Thursday evening the London Bullion Market Association put out a statement saying it was "liaising closely" with the CME Group and with US authorities to monitor the situation.

"London gold market stocks and liquidity remain strong . . . London remains the largest physical gold market in the world," said the LBMA statement.

A weakening US dollar also helped to fuel the gold rally, as it makes bullion cheaper to buy using other currencies.



A sliding US dollar has added to the rally, making gold cheaper for many

Underscoring the market's bullishness, short positions for gold futures have fallen to their lowest level since April 2020, according to data from the Commodity Futures Trading Commission, the US derivatives regulator.

"There is a lot of concern over tariffs," said Suki Cooper, analyst at Standard Chartered.

Typically gold benefits from lower interest rates, because bullion is a non-yielding asset, but that correlation has broken down in recent months.

Gold's rise came after the US Federal Reserve held interest rates steady and chair Jay Powell signalled caution over further rate cuts.

Cooper said that, while gold was likely to hit fresh highs in coming weeks, the rally could slow later in the year. "If we see further rate cuts in the first half of the year, that would support gold, then that tailwind will subside in the second half of the year," she said.

Analysts at MUFG also told clients that gold had "the impetus to go much further in the short term", as the market turned to gold as a geopolitical hedge against the uncertainties of the Trump administration.

Fixed income

UK watchdog to ease reporting and cut red tape for smaller corporate issues

MARTIN ARNOLD
FINANCIAL REGULATION EDITOR

The UK regulator has announced plans to open the corporate bond market to retail investors by easing the rules for companies to issue debt in smaller sizes as it responds to government pressure to support economic growth.

The Financial Conduct Authority said yesterday it would reduce the disclosure requirements for issues below £100,000 each, which it said were currently "harming the market" by demanding more information than for larger bonds.

Companies would be freed from having to complete the listing application process for follow-on bond issues, the FCA said. It also plans to cut "red tape" by scrapping a requirement for companies to complete listings particulars as well as a prospectus when issuing bonds.

"We're opening the door for corporates to issue bonds in small sizes so that a wider range of investors can invest in them," said Simon Walls, the FCA interim executive director of markets. "That's more funding for companies, more easily, and more choice for investors too."

He said the proposals were designed to ensure investors still had the information they needed to assess risks "while removing unnecessary costs and widening access".

The moves followed last year's overhaul of the rules for London-listed companies by the FCA, which gave more power to companies to make decisions without shareholder votes and to adopt dual-class shareholder structures.

'We're opening the door for corporates to issue bonds in small sizes to a wider range of investors'

Since its election last year, the Labour government has stepped up calls for regulators to support its goal of reviving the UK's stagnant economy by easing the burden of red tape on business.

The extra reporting requirements for smaller bonds were designed as "a retail investor protection" as they are seen as more likely to invest in securities with smaller denominations. But the FCA said the issuance of low-denomination corporate bonds had fallen significantly since 2018. Given "considerable demand" from wealth managers to invest in smaller "plain vanilla" bonds, it said the extra guardrails were considered "unnecessary".

The shift was welcomed by market participants. "We are fully supportive of what the FCA is doing here," said Michael Smith, head of debt capital markets at the brokerage Winterflood Securities. "Retail had access to bonds before 2005, so it's not like we're breaking new ground."

The FCA also presented more detail of a new regime for previously lightly regulated crowdfunding sites and other "public offer platforms" that issue more than £5mn of shares or bonds to retail investors outside of the public market.

The new rules are designed to tighten rules for "minibonds", which were at the heart of the 2019 collapse of London Capital Financial that left almost 12,000 investors with £236mn of losses.

The regulator said it would "ensure robust regulation of offers of securities such as 'minibonds' given the higher risks and past losses experienced by investors".

On Wall Street
Elhedery grasps the HSBC nettle




Daniel Davies

HSBC's involvement in the investment banking industry has, over the years, been oddly reminiscent of the American sporting public's relationship with Major League Soccer.

Every four years or so, there is a spike in enthusiasm. This is followed by a burst of investment and hiring of stars from elsewhere, sometimes past their prime. And then the results are mediocre and interest dissipates. You can almost tell the age of a London banker by asking about their memories of HSBC investment banking. Do you remember when it was called James Capel? Or when John "Studs" Studzinski came from Morgan Stanley? Do you remember the hire of former Goldman banker Matthew Westerman?"

Now HSBC's new chief executive, Georges Elhedery, seems to be heeding one of the tried and tested lessons of investment banking: like heading a football, if you are not absolutely committed to the play, you are much better off not trying at all.

The trouble is that bankers can always detect uncertainty, and that leads to a kind of negative spiral. If employees think you're not in it for the long term, they demand "danger money" to work for you. If you have people on big basic salaries or guaranteed bonuses, they're under less pressure to generate business. That can translate into reduced profitability or losses, which leads to the job cuts that justify the market perception of your franchise.

The best investment banking franchises are marked out by their willingness to tolerate short-term pain for long-term gain. They know you can't get stable earnings out of a cyclical industry. More importantly, they know investment banking is a people business, in which the value is generated from long-term relationships and very hard work. If you make the kind of demands of people that a strong investment bank does, you can't then use redundancies to manage quarterly earnings forecasts.

So there's no point cutting a little bit to try to make a cost target. If you're going to shut an investment banking business down, you shut it down. So HSBC will no longer do M&A advisory or equity

> Taming HSBC is going to involve making decisions that have been avoided for decades

capital markets in Europe or North America — and without those, it's unlikely that it will keep equities sales and trading either. By giving up on global ambitions, Elhedery aims to concentrate capital and resources on the profitable franchises in Asia.

Unfortunately, this brings another industry truism into relief. And that is it's very difficult for a bank to be happy or well-managed when its most profitable business unit is geographically or functionally separated from the head office. It breeds resentment on both sides. Historically, the Asian bankers have felt as if they were paying the bills for underperformers elsewhere, while the American and European bankers felt that they were being patronised by people who had been gifted a leading position in an uncompetitive market. At times, both sides may have been right.

A situation like this tends to create a breeding ground for internal politics, and to proliferate unwieldy co-head structures that have more to do with soothing internal tensions than managing a business. Getting rid of these has also been a priority for Elhedery since he took over, but it's easier said than done. If you just dismantle the structures while leaving the underlying issues that created them, they will spring back like the co-heads of a hydra.

In other words, taming HSBC is going to involve making decisions that have been avoided for decades. Either this is a global bank with a strong franchise in greater China, or it is a Chinese bank with global operations. When one puts it as baldly as that, it's not hard to see why past CEOs have preferred to maintain constructive ambiguity, even at the cost of paying a few more regional heads and their entourages.

Even with that problem addressed, there is a final truth of banking that is not easily escaped: it's very difficult indeed to know where the value is really generated. In a business where all the bank's capital is at risk everywhere at once, and where people work together in ways that don't always correspond neatly to an organisation chart, profitability is always a guess and an assumption rather than a hard fact. Many banks have found out, a little too late, that the business they cut provided essential services to one that they kept, or that customers paid for one product but truly valued another part of the relationship.

Some things are big because they are complicated. Some things are complicated because they are big. HSBC, unfortunately for the man who has to run it, is still both.

Daniel Davies is a managing director at Frontline Analysts and the author of 'The Unaccountability Machine'

The day in the markets

What you need to know

- **US stocks return to form after shaky start to week from DeepSeek shock**
- **Europe-wide Stoxx 600 hits record high, taking gains for month to 6.3%**
- **Gold prices reach all-time peak as investors fret over prospect of tariffs**

US stocks ended the week on a firmer footing after solid corporate earnings from some of the biggest technology companies eased investors' concerns about their earnings outlook.

The tech-heavy Nasdaq Composite was 1.3 per cent higher by the early afternoon in New York, on course to erase the losses at the start of the week after the emergence of Chinese artificial intelligence start-up DeepSeek led to a rout in Wall Street tech stocks. The benchmark S&P 500 was up 0.6 per cent.

Yesterday's gains were led by Apple, which rose 0.7 per cent after its quarterly earnings beat expectations, despite falling iPhone sales. Tesla added 4.7 per cent, even as its results missed expectations.

The rebound comes after DeepSeek unveiled an AI model that promised similar results to US rivals but at a far cheaper price.

European stocks finished January outpacing other major global equity markets, as fears of sweeping US tariffs subsided and investors fled the shakeout in US tech stocks.

The Stoxx Europe 600 index closed up 0.1 per cent to a record high, taking its gains for January to 6.3 per cent. The S&P 500 was up 3.8 per cent for the month, while Japan's Topix advanced 0.1 per cent.

Gold price hits record high

Spot ($ per ounce)



Source: LSEG

"We are seeing unwinding some of the US versus Europe trade, both in rates as well in equities. I think it's a theme that could start gathering pace," said Mohit Kumar, an economist at Jefferies.

The Mexican peso rose 0.9 per cent and the Canadian dollar climbed 0.7 per cent against the US dollar following reports that US President Donald Trump would delay levies on imports from Mexico and Canada by a month. The euro rose 0.3 per cent to $1.04 following the reports.

Gold prices also hit a record high as investors fretted over the prospect of tariffs on goods imported to the US. The precious metal rose 0.6 per cent to $2,811.4 an ounce.

The dollar index, a basket of global currencies against the greenback, gave up its gains to trade just 0.1 per cent higher after the reports.

US oil prices weakened on news of the potential delay. WTI, the US benchmark, slipped 0.7 per cent. Brent, the global index, was down 0.1 per cent.

US Treasury yields were flat at 4.51 per cent after data showed that core inflation rose at a moderate pace in December.

Mari Novik

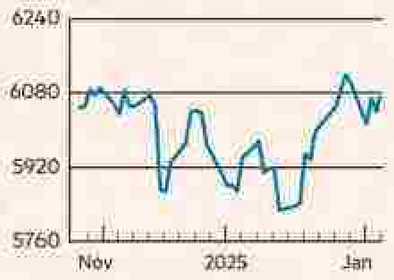
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	6109.70	2146.83	39572.49	8673.96	3250.60	127114.43
% change on day	0.63	0.10	0.15	0.31	-0.06	0.16
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	108.189	1.040	154.850	1.243	7.265	5.842
% change on day	0.364	-0.288	0.464	-0.321	0.000	-0.728
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	4.523	2.458	1.237	4.644	1.626	14.223
Basis point change on day	-0.900	-6.000	2.580	-1.400	0.000	-32.100
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals CMEX0**
Level	575.91	75.99	72.84	2787.25	31.00	4011.20
% change on day	0.39	0.13	0.15	1.12	1.82	0.45

Yesterday's close apart from Currencies - 16.00 GMT; S&P, Bovespa, All World, Oil - 17.00 GMT; Gold, Silver - London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

S&P 500 index



Eurofirst 300 index



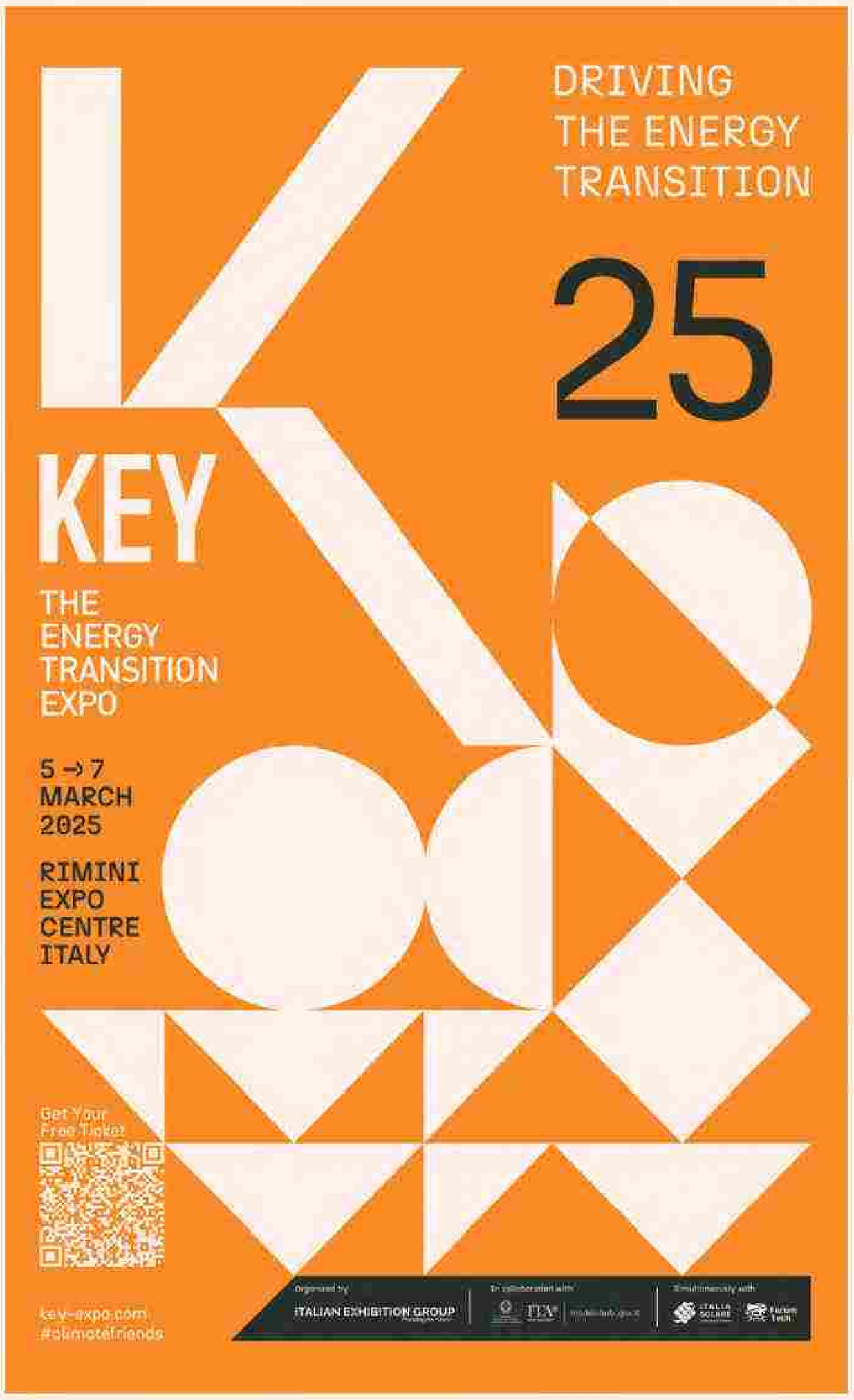
FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Eastman Chemical	7.69	Casino Guichard	3.20	Smiths	10.78
	Franklin Resources	7.69	Commerzbank	2.50	Land Securities	2.72
	Abbvie	7.03	Vopak	2.32	Mondi	2.39
	Vertex Pharmaceuticals	6.39	Asml Holding	2.24	St. James's Place	2.33
	Baker Hughes	5.31	Infineon Tech	2.07	Jd Sports Fashion	2.23
Downs	Deckers Outdoor	-16.81	Merck	-2.28	Fresnillo	-2.32
	Walgreens Boots Alliance	-10.86	Erste Bank	-2.24	Prudential	-1.54
	Ww Grainger	-7.18	Lvmh	-2.21	Sainsbury (J)	-1.47
	Resmed	-6.48	Colruyt	-1.99	Associated British Foods	-1.45
	Ppg Industries	-6.03	Akzo Nobel	-1.85	Marks And Spencer	-1.29

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.



Financials

JPMorgan trading boss exits for hedge fund Rokos in latest defection from big US banks

JOSHUA FRANKLIN — NEW YORK
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JPMorgan Chase's co-head of global markets is leaving the US bank after more than two decades to join Rokos Capital Management, the latest defection from a Wall Street bank for a high-profile role in a hedge fund or trading firm.

Jason Sippel, who jointly led JPMorgan's sprawling trading business, will join the UK-headquartered macro hedge fund as its deputy chief investment officer and global head of markets, reporting to founder Chris Rokos. He will join the partnership board, subject to regulatory approval, the hedge fund said.

Hedge funds such as Millennium Management and trading firms such as Citadel Securities have succeeded in luring top talent from bulge bracket banks in recent years.

One of David Solomon's senior lieutenants Jim Esposito left Goldman Sachs last year for a role at billionaire Ken Griffin's Citadel Securities, while Goldman's treasurer went to Izzy Englander's Millennium.

Chris Rokos has built one of the world's best-known macro hedge funds in Rokos Capital, where he is the firm's key trader as well as serving as its chief investment officer.

Before starting RCM, he co-founded rival macro hedge fund Brevan Howard

> The bank credited Sippel with 'spearhead[ing] many of our key initiatives and technology investments'

alongside Alan Howard and other partners.

Sippel worked at JPMorgan for 23 years in Tokyo, Hong Kong, New York and London, and was key in building up the bank's presence in equities trading and prime brokerage.

He was only promoted to the role of co-head of the bank's fixed income and equities trading business 12 months ago, alongside Pranav Thakur, as part of a management reshuffle. Thakur will become sole head of the business following Sippel's departure.

JPMorgan generated record revenues of about $30bn from trading last year.

In a note announcing Sippel's exit, the heads of JPMorgan's commercial and investment bank, Doug Petno and Troy Rohrbaugh, credited him with "spearhead[ing] many of our key initiatives and technology investments".

Rokos Capital manages $19bn and employs 340 people around the world. Its fund was up about 31 per cent to December 27 last year, said people familiar with the matter. Richard Tang, the firm's head of global markets, is leaving the partnership, but will continue to serve as a senior adviser.

Chris Rokos said of Sippel: "I cannot think of a more experienced, insightful and inspiring leader to be joining us and I look forward to his contribution to the firm."

Sippel's move to Rokos was first reported by Bloomberg.

FT Weekend

Lex.

Apple and Meta battle for thumbs and eyes

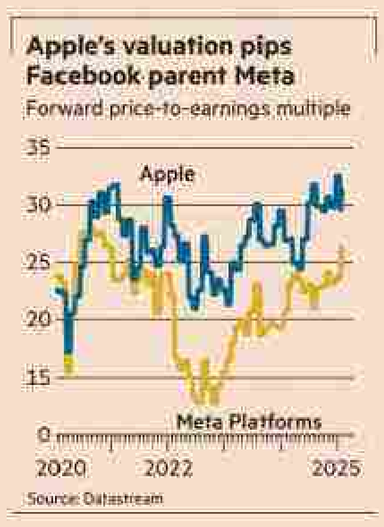
The difference between Apple and Meta Platforms used to be that the former made things, and the latter didn't. Even now, Apple remains driven by real products, while Facebook parent Meta resides mostly in the ether. But the lines between the two are becoming less defined.

Selling devices is still serving Apple well. On Thursday it said it had made $124bn of revenue in the latest quarter, compared with Meta's $48bn. Sales of iPhones, which contribute more than half, are flat — but iPads and Macs are shifting smartly. Revenue from services, such as video streaming, grew 14 per cent — not hard goods, but profitable.

Meta peddles objects too — they just don't yet make money. While Apple's gadgets bring a 39 per cent gross margin, Meta has nearly $60bn of losses in four years on Reality Labs, which makes virtual-reality headsets, pictured, and connected Ray-Bans.

At some point, this will bring them into closer combat. Meta founder Mark Zuckerberg mused this week that in a decade, glasses would be the most logical "form factor" to access the internet. He even said everyone who wore glasses today — 3bn people — could be wearing AI-connected eyewear a decade from now.





If this proves true, Apple is in for an upset. Glasses and phones can coexist. But it makes sense that, over time, users would rather have one device. At the very least, if the point of contact moves from hand to face, the value of the smartphone, its screen and its design — all Apple's forte — diminishes.

Of course, smart glasses are nothing new. Zuckerberg has been discussing them for more than a decade. Still, momentum is building. This year's Consumer Electronics Show, a big tech showcase, served up smart shades in spades. Zuckerberg says this year the trajectory of the market will become clear — for better or for worse.

This isn't necessarily a battle Apple chief executive Tim Cook will lose. His company threw off $108bn of cash from operations in 2024. Apple, unlike Meta, tends not to talk about new products until it has something to sell.

But if Zuckerberg's hunch is right, it's a challenge worth weighing sooner rather than later. Meta is talking its book — many analysts ascribe no value to Reality Labs because profit seems distant. The reverse is likely to apply too, though: Apple investors may not be pricing in the risk they can't yet see.

Private equity has something troubled insurers want: cash

Private equity's claim it has saved the life insurance and retirement annuities business invites scrutiny. But in this case, the Masters of the Universe might have a point. Brighthouse Financial could be a chance for them to prove it.

Financial institutions live or die on their store of equity capital, which absorbs losses, fuels growth and facilitates buybacks and dividends. The 2008 financial crisis left plenty of life insurers short. Many were hobbled by policies written when interest rates, and the fixed-income returns used to determine future policy payouts, were higher. The resulting poor profits in the 2010s hurt stock prices and kept several insurers from raising capital.

Private-equity groups have since arrived with the ability to write large cheques. Brighthouse could use that. The company spun out of MetLife in 2017 is looking for a buyer. Private capital firms are likely bidders.

MetLife detached Brighthouse for fear its challenged annuities business would deter investors. On that score, the break-up was a success. MetLife's market cap has nearly doubled to $60bn. But Brighthouse shares are down over a quarter since the split.

Brighthouse specialises in variable annuities, a more complex product than fixed and fixed index annuities. The cost of this, including hedging, means it struggles to meet its required levels of capital — unhappily for shareholder returns. Its $3bn market cap, compared with $5bn of statutory book capital, betrays its weakness.

A private equity buyer could spy a mutually beneficial arrangement. Brighthouse's brand, sales force and ability to write new business would be useful additions. Its $120bn investment account presents an opportunity for sophisticated asset managers to deploy more money in private credit markets.

And buyout shops have a record. Apollo has calculated that $28bn of fresh equity capital has been raised since 2010 in the life insurance sector.

Traditional insurers still have brand names, high credit ratings and broad experience in their favour. They can hire smart investment managers to keep up with Apollo, Brookfield and KKR. Still, in financial services, balance sheet ratios matter. For those in recovery, there's nothing like a big equity infusion. It's a problem private equity was designed to solve.

China is stealing the scene in Japan's television market

There was a time when nearly every hotel room seemed to have a TV with a Sony, Panasonic, Samsung or LG logo. Affordable Chinese models have long been chipping away at the dominance of such Japanese and South Korean brands. Now, however, China's ascent is about more than just price.

Take what's happening in Japan. Local brands are being displaced by Chinese manufacturers on their home turf. Chinese makers accounted for more than half of all flatscreen TVs sold in Japan last year for the first time, according to research firm BCN.

In the past, Chinese companies have disrupted industries primarily through cheapness. That meant even as they gained market share, a clear distinction remained between premium and budget segments. The high-end market, with typically fatter margins, still provided a lucrative buffer for incumbents. That may be changing.

TV makers aiming at the premium segment typically differentiate themselves in two ways: advancements in display technology and integration of artificial intelligence features. Chinese groups including Hisense, TCL and Xiaomi have been quick to integrate the latest AI features into their TVs to enhance their pictures based on real-time scene detection, as well as suggest content based on user preferences. They also offer seamless integration with global smart TV platforms and streaming services.

Premium TVs using Oled technology, which enables ultra-slim display panels and vivid colours, were once the exclusive domain of Japanese and South Korean makers. These TVs offered higher profit margins than LCD TVs. Yet over the past five years, Chinese makers have been aggressively expanding their offerings here, as their investments in display innovation begin to pay off.

Shares of Xiaomi have more than doubled in the past six months, while TCL Electronics stock has nearly tripled in the past year. Even after those gains, TCL trades at just below 12 times forward earnings — a steep discount to Japanese peers. That would be justifiable if Chinese TV makers weren't moving upmarket.

Underestimating the ingenuity of Chinese competitors has proven unwise: look no further than DeepSeek's dramatic arrival in the AI arms race. Investors in Japanese electronics groups should be on guard.

Trump's return is making European stocks great again



Katie Martin

The Long View

It may not be his intention, but Donald Trump is making European markets great again. Since election day in November, the benchmark US stocks index, the S&P 500, has smashed its way above 6,000 for the first time, with a gain of 6 per cent. US companies and global investors clearly like elements of the president's agenda, especially the impulse to cut red tape (let's see what horrors emerge from that later) and slash taxes. So far, so much American exceptionalism.

But Europe's market performance has been none too shabby either. The pan-continental Euro Stoxx 600 index has matched its US counterpart with a 6.2 per cent gain over the same period. In the supposed economic wasteland of Germany, stocks are up nearly 14 per cent, hitting record high after record high. Even European bank stocks are on a tear, up by more than 11 per cent this year so far.

In the UK, the domestic-focused FTSE 250 index of mid-cap stocks remains the place where fun goes to die but the FTSE 100 has also broken records and gained by about the same degree as its US cousin.

Can the US president really be responsible for all this? In his own way, partly.

For one thing, Trump has not, at least for now, gone in hard with trade tariffs on Europe. He still has time, of course, but in the run-up to reprising his place in the White House, and in his first almost two weeks in the job, he has focused his tariff efforts on Mexico, Canada, Colombia (briefly) and, to a surprisingly lesser extent, China. Aside from unsettling Denmark by flagging expansionary designs on the autonomous territory of Greenland, Trump has not banged the drum on Europe as hard as feared.

In its latest investor survey, Bank of America notes that factor, combined with reasonable levels of stability in bond markets, has meant fund managers have been able to maintain a risk-seeking stance, allowing "lagging" risky assets to "play catch-up". The bank said the switch out of US stocks and in to the EU in the month to the January survey has been the biggest in at least 25 years.

"The absence of US tariffs on Europe has probably helped," say RBC analysts. "This is not to say that this might not come at a point in the future but it does not appear the most pressing concern."

Another element is the value of the euro, sterling and other European currencies in relation to the dollar. The dollar is not ripping higher as quickly or smoothly as "Trump trade" true believers had hoped — a black eye for a very popular bet, especially among hedge funds. But the value of the dollar clearly rose forcefully ahead of Trump's election win and inauguration, and then calmed down afterwards — a classic case of "buy the rumour, sell the fact".

> Europe's lack of shiny tech stocks, long seen as a weakness, is looking like more of a benefit

So, the euro for instance has picked up since mid-January, but is still some 7 per cent below where it stood in late September — roughly the point at which investors shifted to the view that Trump would win the election. That is helpful for European exports.

Meanwhile, as we saw this week, the European Central Bank remains squarely in rate-cutting mode, slicing another quarter-point off the benchmark rate on Thursday, with more likely to come. In contrast, the Federal Reserve is stuck, with markets penciling in few if any more cuts over the course of this calendar year. Again, this is a recipe for the euro to at least stay relatively weak, even if it does not collapse in the way some Trump trade adherents have expected.

What's more, Europe's well-known lack of shiny tech stocks, which has long been seen as a weakness, is looking like something more of a benefit since the shock delivered to markets this week by the emergence of cheap and seemingly good-quality artificial intelligence tools from China.

This helps Europe in a couple of ways. One is that if China can do it, Europe could beef up its AI game too, as France's Mistral and others have already attempted. Another is that it underlines how US tariffs are a potential own goal that might end up as a boon for other major economies.

At an event this week, Invesco's Paul Jackson sketched out the way US import restrictions could end up holding the country back in the long term. "Companies in the US have less competition, so you are ending up with a higher price level for the same quantity of goods," he said, and with poorer innovation to boot.

Angela Zhang, author of *High Wire: How China Regulates Big Tech and Governs Its Economy*, made a similar point in the pages of the Financial Times in the week before China's DeepSeek unsettled global markets, pointing out that trade restrictions had forced China to work harder and smarter to keep up with the US. The broader lesson here is that it's too soon to really declare the US to be the winner in the tech race. Europe and Asia can catch up.

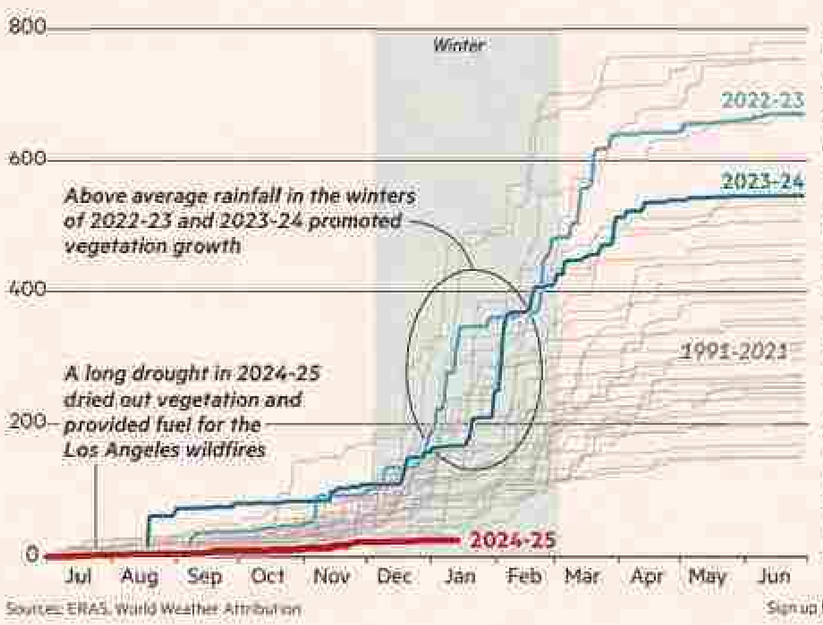
This all adds up to a cloudier vision of the American exceptionalism theme that has dominated the outlook for this year from both banks and investors. Knocking up some blue-and-gold MEGA hats (made in China, of course) may be a good idea.

katie.martin@ft.com

NIKKEI Asia The voice of the Asian century

Human-induced climate change a contributing factor in the LA wildfires

Cumulative rainfall over southern California coastal area (mm)



Source: ERA5, World Weather Attribution

More than 30 researchers, including wildfire scientists from the US and Europe, calculated the hot, dry and windy conditions that drove the LA fires were made 35 per cent worse by climate change.

They found these conditions would become another 35 per cent more likely if global warming reached 2.6C above pre-industrial times. The world has already warmed by at least 1.1C. The scientists, part of the World Weather Attribution group, combine weather data with climate models.

The study found that low rainfall during the usual October to December rain season was about 2.4 times more likely compared with the pre-industrial climate, and the fire season was about 23 days longer each year, increasing the chance a fire would start during peak Santa Ana winds.

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FT Weekend



Jo Ellison
Have we hit peak tech bro?
TRENDING PAGE 19



Riding in to the wild
A horseback safari in Zambia
TRAVEL PAGE 7

Brazil's coming of age
The pioneers who made modernism their own
ARTS PAGE 12



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Where 'woke' went wrong

Seemingly irresistible only a few years ago, a complex of social movements aimed at addressing systemic inequalities is now in retreat. *Henry Mance* examines the contradictions that curtailed a revolution

All revolutions face a backlash. A few years ago, Elon Musk and other supporters of Donald Trump started denouncing the "woke mind virus". In 2023, the US Supreme Court ruled that affirmative action in university admissions was illegal. Right-wing activists began preparing legal warfare against companies with high-profile diversity initiatives.

Since becoming president, Trump has ordered an end to federal government diversity efforts, including some dating back to Lyndon Johnson, and may expel trans people from the US military. Walmart and Amazon are among the companies also closing their diversity schemes. Mark Zuckerberg, who once celebrated Facebook's role in making #MeToo and #BlackLivesMatter viral, now said its parent company needed more "masculine energy" and would end its targets for hiring women and minorities. Corporate America had gone from taking the knee to bending it.

But perhaps equally telling has been the loss of faith among the revolution's natural supporters. Kamala Harris, who once criticised Joe Biden's record on desegregation, backed away from wokeness. (Trump ads still said: "Kamala is for they/them. President Trump is for you.") In the UK, Keir Starmer changed his view on trans rights. Between 2021 and 2024, the proportion of British people who said efforts to ensure equal opportunities for trans people hadn't gone far enough fell from 32 per cent to 22 per cent.

Progressive activists could once insist that criticisms of their causes were confected. This has become harder. The critics included people, such as philosophers Sam Harris and Susan Neiman, who define themselves as on the left.

The achievement of Black Lives Matter was to make support almost the default option. Shortly after George Floyd was murdered by a police officer in Minneapolis in 2020, protesters' signs read simply: "White silence is violence." The movement was not hoping to persuade people. It was expecting them to participate.

Above: sanitation workers in New York clean up after the Occupy City Hall protests following the killing of George Floyd in 2020

Below: a 'Stop Woke Indoctrination' sticker at the presidential inauguration of Donald Trump last month
Getty Images Bloomberg

In this, Black Lives Matter was initially hugely successful. Within weeks of Floyd's murder, perhaps 20mn Americans, an unprecedented number, went on marches. Government policies were examined for implicit bias. Bosses looked around their offices and asked why they were so white. Workshops were organised, donations promised, senior appointments made. Statues were felled; company logos based on Black stereotypes were replaced.

In the years before, other movements had enjoyed similar success. #MeToo called out male sexual abuse. LGBT+ campaigners highlighted the difficulties faced by trans people. After the celebrated expansion of gay rights, lots of people wanted to be on the right side of history. They added rainbows to their online profiles and pronouns to their email signatures. Trans celebrities became sought-after brand ambassadors.

Today, however, many progressives have decided that speaking up is no longer so urgent. Silence has resumed. If these movements are to rise again, they need to overcome not just their opponents, but their own limitations.



The term "woke" emerged from the American left to describe awareness of the injustices faced by Black people. Critics on the right took the phrase and made it pejorative, just as they weaponised "political correctness" in the 1990s. Today they often deploy it disingenuously.

Wokeness — there is still no better term — now describes attempts to address systemic inequalities faced by disadvantaged groups, including women, people of colour, LGBT+ people and those with disabilities. It assumes people can discriminate unconsciously by upholding inequitable norms.

To many supporters, these attempts continued campaigns such as the US civil rights movement. Those past revolutions had been only partly successful. The killing of Floyd, and others such as teenager Trayvon Martin in 2012, showed that the law was still not equally applied to Black people in the US. Old inequalities persisted. New ones emerged: tech companies apologised after their algorithms generated racist results.

If wokeness faced resistance, supporters could point to those who had opposed civil rights in the 1960s, or who had moaned about the suppression of sexist and racist jokes in the 1990s.

The problem, as writer Yascha Mounk argues in his book *The Identity Trap*, is that the new activism was built on a rejection of the civil rights movement's optimistic pursuit of equality and racial integration. Its foundations lay in the post-structuralism of Michel Foucault, in postcolonial studies and in critical race theory. Derrick Bell, founder of critical race theory, argued in 1991 that Black people in the US had in effect seen no progress since slavery, that yearning for racial equality was a "fantasy".

Bell's precise words may not have spread widely, but examples of woke over-reach did. In 2020-21, Black Lives Matter activists occupied the city of Portland for months, causing millions of dollars of damage. Calls to "defund the police" complicated law enforcement in many US cities, allowing critics to question if it was inadvertently making life more dangerous, not less.

Less grave, but equally eye-catching, was some counterintuitive theorising. Some descriptions of racial equity suggested that punctuality was a trait of "whiteness". Some trans rights activists adopted the terms "Latinx" and "people who menstruate" — terms that most of the people they were referring to would reject.

In the 1990s, political correctness meant using the words "chair" instead of "chairman", and "sex worker" instead of "prostitute" (the idea of calling short people "vertically challenged" came from critics). Recent conceptual and linguistic shifts were arguably much sharper. "White privilege", "toxic masculinity" and "cisgender" entered the lexicon.

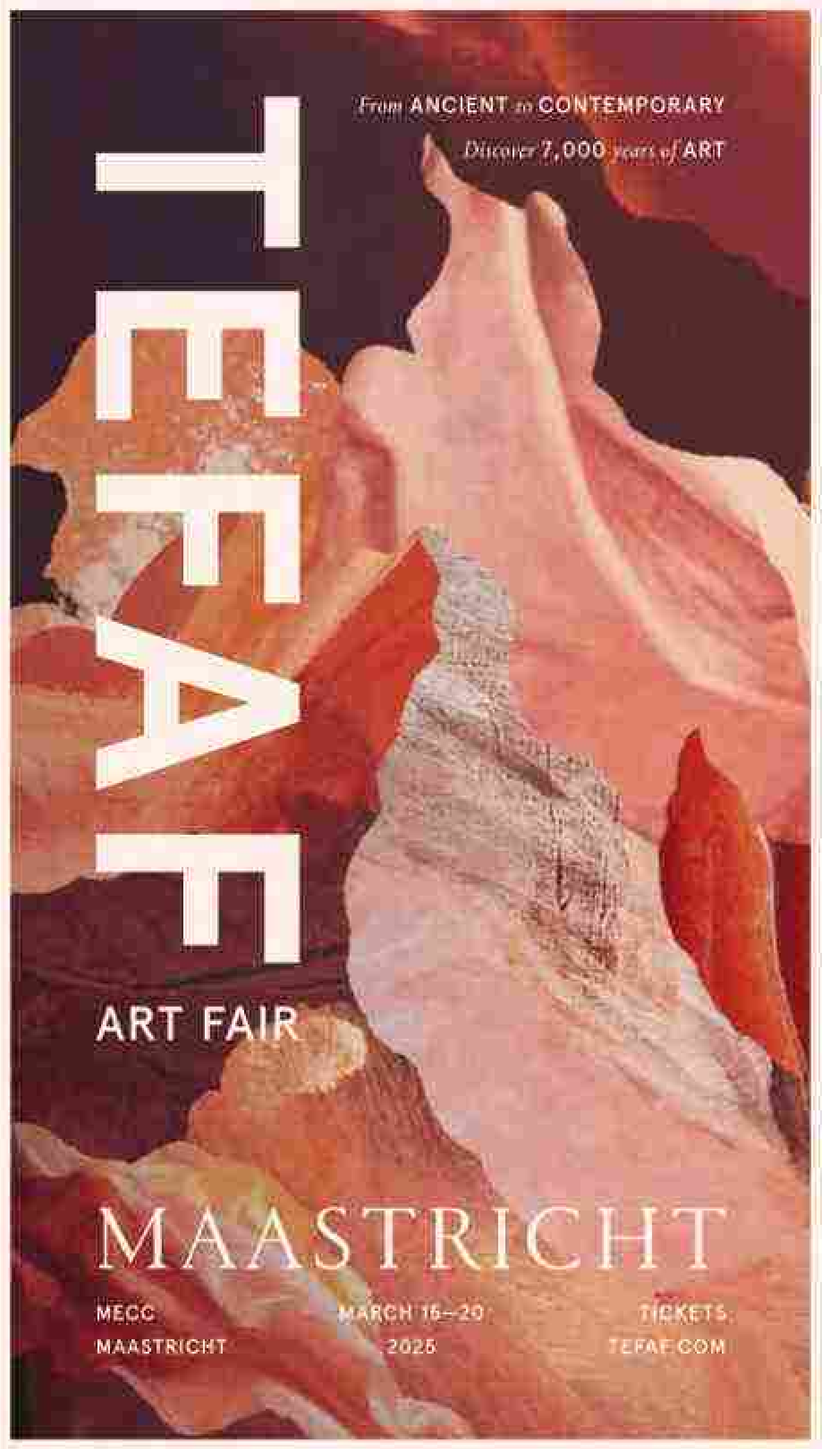
Even away from these extremes, "wokeness" clashed with some tenets of liberal society. It defined people as being part of a group, not as individuals. It encouraged people to identify as Black, queer or whatever else. For Robin DiAngelo, the white author of the best-selling book *White Fragility*, white people were inherently racist.

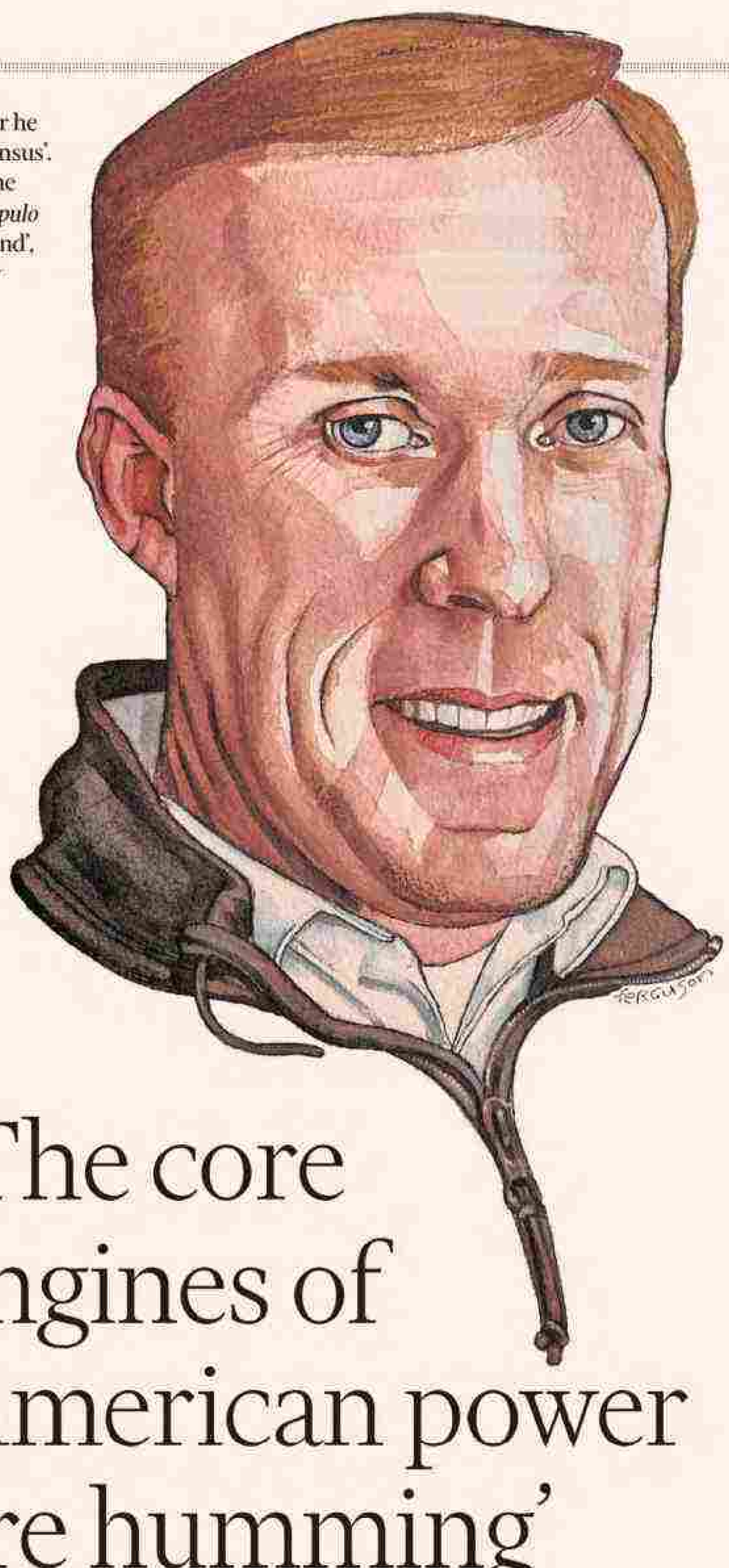
> Diversity programmes focused on race and gender – but conversations on class were often lacking

All this ran counter to the civil rights era's focus on equality and to how many citizens wished to see themselves. As early as 2015, veteran civil rights activist Barbara Reynolds argued that Black Lives Matter was mistaken in not claiming the slogan "all lives matter" for its own (and for not adopting the church-inspired respectability of 1960s protesters).

Inside companies, group awareness was initially welcomed: staff networks for Black, Asian, LGBT+, disabled people and others sprung up. But bosses now admit to second thoughts. "Were we beginning to focus too much on all these areas of difference, versus saying this is fundamentally about inclusion and respecting difference, rather than necessarily needing to call it out?" says Peter Cheese, chief executive of CIPD, the UK's body for HR professionals. "We can't deal with every

Continued on page 2





‘The core engines of American power are humming’

Lunch with the FT Jake Sullivan

As Joe Biden’s national security adviser he helped forge a ‘new Washington consensus’. Over chicken tikka and Valpolicella, the former official talks to *Demetri Sevastopulo* about leaving Trump with a ‘strong hand’, export controls on AI chips — and why a war over Taiwan is not inevitable

When Jake Sullivan enters the private room at Rasika West End, I joke with the former US national security adviser that I would have dressed down had I known he would be casual. “Smart casual,” he corrects me with a smile.

Sullivan has picked a modern Indian restaurant just blocks from where he has lived in Washington for the past four years with his wife Maggie Goodlander, the newly elected congresswoman from New Hampshire. “This was kind of a date place,” he says, making me feel slightly like an imposter.

Judging by the lack of commotion, you would not realise my guest had just spent four years at the heart of the White House, dealing with a Chinese spy balloon, nuclear threats from Russian president Vladimir Putin and conflicts across the Middle East. The 48-year-old was also the lead architect of what he described as a “new Washington consensus” that fused economic and national security policies, driven by his view that America needed a “foreign policy for the middle class”.

Before we pivot to more serious issues, I have a sensitive question. Who is more Irish, Jake Sullivan or Joe Biden?

“If we’re going on number of times asserting Irishness in life, Joe Biden beats me,” he says playfully, before noting that Biden, who generally only touts his Irish background, also has French and English roots. “I am mostly, if not entirely, Irish,” he continues, before delivering the killer blow: “[The name] Biden, I think, is English.”

Our waitress is hovering. “I’m just gonna get the chicken tikka masala,” he says. I order tandoori duck makani.

The wallpaper in the room depicts monkeys smoking cigars and drinking vodka, which makes his pitch for sparkling water disappointing. I twist his arm — with minimal effort. “Day drinking,” he laughs, and orders an Italian Valpolicella Ripasso.

I want to ask about November 5, when Kamala Harris lost to Donald Trump but Sullivan’s wife was elected to Congress. How did he feel about losing the White House? “Honestly, that night, it didn’t fully sink in. I was so excited for Maggie,” he says. “It was a wonderful night, and then a harder morning.”

Months earlier, there was another difficult moment when Biden had a catastrophic debate against Trump. Was Sullivan, a former university champion debater, surprised, or had there been signs that Biden was slipping? “I had not seen that coming, flat out had not seen it,” he says. “I thought it was going to be a seismic event in the campaign.”

Critics argue that Biden’s closest aides must have realised that he was slowing mentally. But Sullivan insists that he was taken by complete surprise. “It was not at all consistent with my experience.”

As our wine arrives, I ask if he has started to think about why the Democrats lost. “I’ve started to, but not nearly as much as I did in 2016. On November 9 2016, I was unemployed on my couch and could just sit and think about it indefinitely,” he says.

He thinks the outcome of the 2016 election was “deeply structural” and marked a “delayed reckoning of the 2008 financial crisis and a deep wellspring of anger among the American people that the system had failed them”.

“[2024] may just be one of those elections where you have a Democrat running against a Republican at a time of high prices and anti-incumbent global sentiment and the Republican narrowly beat the Democrat and it’s not really about something existential,” he says. “Or maybe it will bear out that it’s something more existential.”

Switching to his time in the White House, I ask what he regards as his biggest accomplishment. He says he is proud to have helped create a situation where the “core engines of American power are humming”.

“Our alliances are stronger than they’ve been in a very long time. Our competitors and adversaries are weaker too in ways that have defied expectations, certainly with China. And we’ve produced that very strong American hand without getting entangled in war overseas,” he argues.

He continues by saying that the domestic investment in chips and export controls on AI-related chips, coupled with efforts to boost the defence industrial base and diversify supply chains, marked a new approach to policy. But he stresses that it is a “generational project” that he hopes the Trump administration will adopt and build on.

China policy, he adds, was another achievement. “America is in a demonstrably better position in the long-term competition with China than we were, and yet we did it while stabilising the relationship and finding areas to work together.” He says the US and China are in a “decisive decade” that will determine which comes out ahead in key areas such as artificial intelligence and the transition to a clean energy economy. “Four out of those 10 years in the decisive decade . . . [have] turned in America’s favour in a really significant way,” says Sullivan, adding that the export controls the US imposed on high-end chips and manufacturing equipment have had a “demonstrable impact”.

Days after our lunch, a Chinese company called DeepSeek stunned Silicon Valley by unveiling an AI model that appears to rival US models. After the news broke, I emailed Sullivan to get his reaction. He says it shows that the US needs to “stay on our game” but he is “still confident in the American lead” in AI. He stresses that it “only reinforces” his view on the importance of export controls.

Another critical area in the decisive decade is US deterrence in the face of what Sullivan describes as the “largest peacetime military build-up in human history” being undertaken by China. The US boosted deterrence by bolstering its alliances and urging allies to work more closely with each other, Sullivan says. He adds that Aukus — the US-UK-Australia agreement to enable Canberra to procure nuclear-powered submarines — was a “huge deal”.

“It’s a strategic marriage between the United States and Australia for half a century,” he says.

As our dishes arrive, Sullivan says his biggest regret is how the US handled its withdrawal from Afghanistan in 2021, which led to the deaths of 13 members of the American military. He says the administration had decided that pulling out too rapidly could destroy morale in Kabul and lead to the collapse of the Afghan government — but it ended up falling anyway.

“A lesson learned from that is, if there are risks associated with an evacuation, just move out early, even if it comes with some friction with the host government,” says Sullivan.

Over four years, he dealt with multiple crises involving China, including its 2021 hypersonic missile test, its huge military exercises in response to then US House Speaker Nancy Pelosi’s trip to Taiwan in 2022, and the Chinese spy balloon that flew over the US in 2023. Which stands out in his mind?

He cites the spy balloon saga, which followed the “extreme tensions” sparked by Pelosi’s Taiwan visit. “It felt like we were in a very deep hole, but something more than that. It felt like, in living colour, the risk of a downward spiral in the US-China relationship was not merely abstract. This could go bad.”

I am still puzzled as to whether China intentionally flew the balloon over the US, or if it was blown off course by weather. He says it is hard to say without veering into classified areas, but drops a hint. “You can find Biden comments publicly . . . where his personal opinion was that this was not intentional,” he says. “That’s what I’ll say.”

A more recent espionage case is a months-long Chinese hacking attack against US telecoms networks called “Salt Typhoon”. “What makes Salt Typhoon unique is the sheer scale of access,” he says about the ongoing attack. “They weren’t just going into a senior government official’s phone. They were going into the major American telecommunications companies, Verizon, AT&T and T-Mobile, and picking any phone they wanted to listen to.”

Sullivan says a critical question is whether US telecoms companies remain “highly vulnerable” to hacking from China. “I would say right now, today, they are,” he warns.

I suddenly realise I have been attacking the plain naan that Sullivan ordered and not my garlic naan. But we are focused more on the conversation than our curries, so I hope he has not noticed.

I want to return to the critical issue of Taiwan. Was there ever a time when he worried that Washington and Beijing were heading towards some kind of military conflict?

“Beijing began to develop a perception that the direction of American policy on Taiwan was inexorably toward the end of the status quo,” he recalls. “If Beijing became convinced there’s only one way to stop Taiwan independence, and it’s grab Taiwan or bomb Taiwan, they would do it,” he warns.

As a result, it was critical to send a “very clear message of deterrence” while making clear at the same time that Washington was not trying to upend the status quo.

“The US and China have kept this delicate balance for decades,” he says. “We just need to practise a disciplined approach that sustains that out into the future. If we do . . . we can sustain it. I do not believe war is inevitable.”

Elsewhere in Asia, Biden made a big bet on India by deepening technology and security co-operation. As Sullivan touts their achievements — starting with how Biden elevated the Quad grouping of the US, India, Japan and Australia — our waitress removes his plate. “You haven’t done very much damage,” I quip. “I’m a light eater,” he says.

The goal of closer ties with India, I suggest, was not helped by the assassination of a Sikh separatist in Vancouver and a thwarted assassination plot in New York, both suspected of having links to Indian intelligence. Under pressure from the US, New Delhi launched an investigation that remains open after more than a year. Sullivan says it is important to get answers. “I hope the Trump administration will keep pressing.”

> ‘It felt like, in living colour, the risk of a downward spiral in the US-China relationship was not merely abstract. This could go bad’

I ask how he evaluates the situation in Ukraine. “The question is, can the current administration display sufficient staying power that Putin sees we’re going to hang in there and the costs are going to continue to mount?” he says. “In which case, I do believe there’s a deal to be done.”

Just before our lunch, Trump had threatened to hit Russia with more tariffs and sanctions if there was no agreement to end the war, which Sullivan says was a “good” move.

Biden came under criticism for not providing certain weapons systems, including F-16 fighter jets, as quickly as requested by Kyiv. Sullivan pushes back. Biden approved F-16 transfers in May 2023, but the Ukrainian air force has only 18 jets because, Sullivan explains, it has only 16 pilots trained to fly the sophisticated fighters.

After he orders mint tea and I ask for a coffee, Sullivan presses home his point. “The conventional wisdom that we did too little too late, and if only we had given this weapons system at this time rather than that time something would be dramatically different in the war, is not borne out by any serious review of the evidence,” he says.

We move on to Iran. Sullivan thinks the regime in Tehran is weaker than at any time since the Iran-Iraq war, which ended in 1988. How does he expect Trump to handle the issue? “I predict a robust debate in this administration between an audacious diplomatic play and an audacious military play,” he responds, prompting me to ask whether he thinks Israeli prime minister Benjamin Netanyahu will be tempted to launch a military strike.

“Without personalising it to Netanyahu, I would say the senior leadership of Israel, both political and military as well as intelligence, will be sorely tempted to take advantage of this moment.”

I ask about Gaza and whether he believes the Biden administration had the right balance amid criticism that it did not put enough pressure on Netanyahu to stop the killing of civilians.

“There was immense human suffering in Gaza, and so for me to sit here and say, ‘No, no, it all went great,’ would display a total lack of human empathy. On the other hand, the idea of cutting weapons off from Israel when they were taking incoming from several fronts all at once . . . I’m not sure how I could have justified that. So, it’s hard.

“It’s probably the single biggest thing in the four years where only some level of perspective gained over time will allow me to fully judge what I thought we did right and what I thought we didn’t do right.”

We have been talking for well over two hours. Putting policy questions aside, I want to learn more about the man before our time is up. After four intense years with less than two weeks of vacation, Sullivan’s immediate plans do not involve work. He is flying to Utah to go skiing with friends the next day and is planning a guys’ hiking trip to the Grand Canyon and Horseshoe Bend in Arizona.

He is also looking forward to reading books after having almost no time in the White House. He played soccer in high school and raves about *The Club* by Jonathan Clegg and Joshua Robinson, about the Premier League. His interest in English football stems from his time at Oxford university, when he started following Chelsea.

So, what is next, I ask? His response is refreshingly honest in a city where people are constantly posturing. “This is a heavy answer,” he starts. “Maggie and I have been over the course of these four years . . . trying to start a family and had some great difficulties,” he continues, referring to a traumatic miscarriage his wife suffered. “My full-time job is to figure out how we could do that,” Sullivan tells me. “Maybe adoption.”

They have a house in New Hampshire, which they believe would be a good state in which to raise kids. Sullivan is contemplating taking a position teaching at a university in Boston, which would only be a 45-minute commute.

The restaurant has almost emptied. As he is about to leave, he says half-jokingly about our lunch interview that he will read it with “great anxiety”.

I realise I didn’t notice if he finished his wine. “I believe I did,” he says to my relief. Earlier, I had told him that — as an Irish citizen — I would get in trouble with Ireland’s ambassador to Washington, Geraldine Byrne Nason, if I failed to convince the proud Irish-American to have a drink.

“I’m out of work now, so I’m entitled to a glass,” Sullivan quips before heading out into the bitter cold.

Demetri Sevastopulo is the FT’s US-China correspondent

RASIKA WEST END
1190 New Hampshire Ave NW, Washington, DC 20037

Chicken tikka masala	$20
Tandoori duck makani	$32
Naan x2	$10
Garlic naan x2	$12
Glass of Brooks	$17
Glass of Valpolicella	$16
Sparkling water	$8
Moroccan mint tea	$5
Coffee	$5
Total (inc service, tax and tip)	$185



Style

Diamonds that defy gravity

Jewellery | A new Tiffany setting was unveiled as part of a collab with Pharrell Williams in Paris, writes *Ming Liu*

This week Tiffany & Co debuted the new Titan Setting, which creates the illusion of a hovering diamond. The effect is possible thanks to the Floeting "platform", a patented creation from a New Zealand jewellery company that includes a micro-engineered round brilliant diamond and its accompanying mounting, set without prongs or bezels.

"The diamond appears to sort of defy gravity," says Floeting's co-inventor Chris Benham, speaking from Wellington.

The launch is the latest effort from the LVMH-owned house to elevate its standing in the high-end jewellery segment, where its promise has been slow to materialise despite the French conglomerate's significant investment in its rebranding since 2021.

The LVMH group does not report individual brand performance, but sales of its watches and jewellery division struggled to perform in 2024, closing the year with revenues down 2 per cent over 2023 on an organic basis. Despite an improvement in Tiffany's performance, investment in the category weighed on operating profit.

In 2023 Tiffany unveiled a complete redesign of its Manhattan flagship store, which has been described as "the biggest investment in the history of luxury", and a number of collaborations with names such as Supreme, Fendi, Nike and Beyoncé. The Titan Setting itself is part of a new instalment of the Titan collection, a collaboration with Louis Vuitton men's creative director, recording artist and producer Pharrell Williams that the house debuted last year.

Tiffany is the first jewellery house to use the Floeting platform, which took 17 years to perfect, with input from science and gemstone laboratories, and even an ex-Formula One engineer. The stone that comes with it features 89 facets, about 50 per cent more than your average round brilliant diamond, and ultra-precise micro grooves to connect the setting.

> 'That things [appear to] move and perform beyond explanation is fascinating,' says Pharrell Williams

The development of the first round brilliant diamond is credited to Belgian diamantaire Marcel Tolkowsky in 1919, and the cut has long been Tiffany's wheelhouse — its patented Tiffany Setting engagement ring features a round brilliant diamond held by six prongs. But the shape today has become increasingly indistinguishable in the market and a harder sell as consumers seek more interesting and unusual fancy cut stones.

Tiffany's move to partner with Floeting follows a trend among top jewellery houses seeking to strengthen brand identity by developing recognisable cuts, settings and designs. Tobias Kormind, managing director of 77 Diamonds, one of the largest online jewellers in Europe, says that "there's a very strong commercial incentive right now to make everything about the brand — and that's where the cuts really come in, [as they] allow brands to differentiate significantly". Most prominent in this effort is Louis Vuitton, which has cut stones into the star and flower shape of its iconic monogram print in both its high and fine jewellery collections.



Main: Pharrell Williams with pieces from the latest Tiffany Titan collection

Inset: earrings, a bracelet and pendant from the Tiffany Titan collection

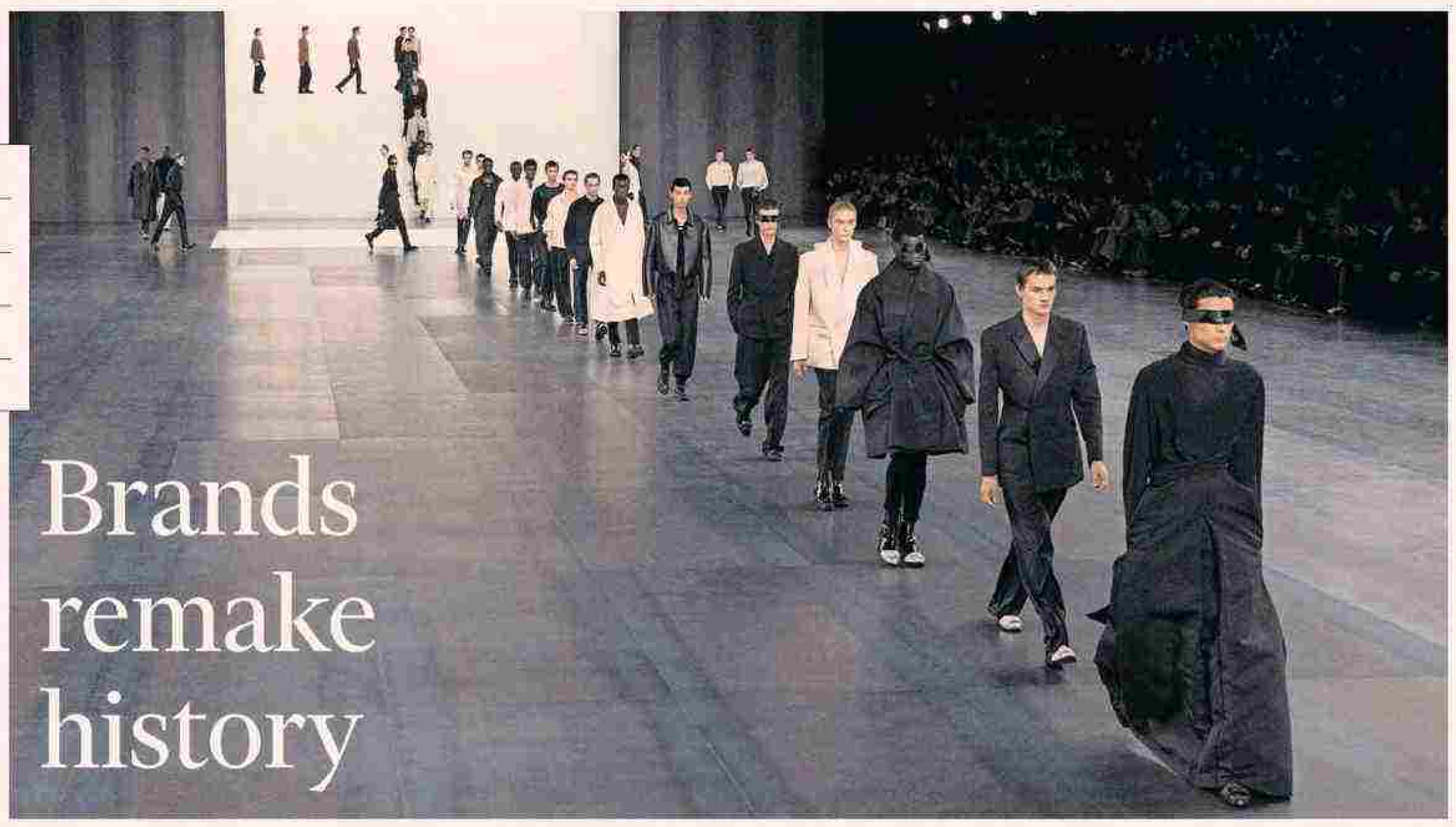
Francesca Amfitheatrof, artistic director for watches and jewellery at Louis Vuitton, calls the LV Monogram cuts the "holy grail" for clients, who are "totally seduced" by them, she says. Meanwhile, another LVMH stablemate, Chaumet, has also created a unique hexagon-shaped cut called Taille Impératrice (empress-cut in French), featuring 88 facets, which riffs off the house's signature bee-themed jewellery collection.

Engineering new cuts, however, requires a considerable amount of time and investment. For this reason smaller independent jewellers have been designing around signature fancy cuts, such as Bond Street's David Morris, who is known for its regular use of rose cut diamonds. Rather than embarking on the development of a completely new cut and setting, Tiffany has partnered with Floeting, which had already spent almost two decades working on its creation.

"The idea that things [appear to] move and perform beyond explanation is fascinating," says Williams of why he was drawn to the Floeting platform, which has been employed in a diamond earring with a fishtail setting, and a ring encircled by four Titan spears that highlight the central diamond. "For one to look and question 'Wait a minute, how is that stone there?'"

The collection also introduces a unisex-style pendant, earrings, necklace, bracelet and ring punctuated with earthy grey Tahitian pearls over 11mm in diameter. Men are increasingly drawn to Tiffany Titan, according to the house and the Floeting novelty may further that interest. Christine Douglas, Floeting's co-inventor, says that the setting has attracted a new segment of male clients who haven't traditionally considered diamonds, in particular engineers, architects and those working in tech.

"We thought that people might be put off by the technology, but in fact it's been the opposite," she says. Tech bros who are embracing diamond jewellery with a touch of Pharrell magic? That could be the boost that Tiffany needs.



Men's Fashion Week | In Paris, Louis Vuitton, Dior and Hermès returned to their archives, writes *Alexander Fury*

Brands remake history

When the Spanish-American philosopher George Santayana wrote "Those who cannot remember the past are condemned to repeat it," it was intended as a warning shot. Forget your history, and you'll make all the same mistakes again. But both the remembrance and regurgitation of things past was essentially the retrograde philosophy of the autumn/winter 2025 menswear shows in Paris. Appropriately so — it's a city so steeped in heritage many consider it practically embalmed.

And bang in the middle of Paris, in the 17th-century courtyard of the Louvre, Louis Vuitton's men's creative director Pharrell Williams began the week by studding the catwalk of the Vuitton show with multiple museological vitrines filled with archive pieces, old clothes that had inspired his new. Models wore biker jackets emblazoned with "1854" (the year Louis Vuitton was founded), suits and shorts and retro sportswear shapes studded with the LV monogram and Damier checkerboard aplenty, alongside workmen shoving hard-sided trunks around on wheeled trolleys. In this context, they resembled either storage-boxes, or coffins — a few came in Plexiglas, like Snow White's.

The collection was new in that it was a collaboration between Williams and Nigo, who conveniently heads another LVMH brand, Kenzo, and has never designed for Vuitton before. But the clothes were a deep, reverent archive-dive into Vuitton and a quarter century or so of urban streetwear. With this approach, it's easy to end up like a fashion ouroboros, eating your own tail: if you love something, sometimes you want to reproduce it precisely and you wind up going nowhere especially different. That's OK, too — as those trunks slalomed past, they also made me think of customers piling up their shopping with the frenzied fervour reserved for a few brands, Vuitton included. History is a selling-point now.

Vuitton is old-school — its past is always part of its present. You know there's something in the air when a designer as relentlessly forward-looking as Rick Owens starts harping on about yesteryear. Owens recalled that he has been travelling to the Italian town of Concordia for 22 years to manufacture his collections — which meant it was about time he collaborated with Rimowa to create a bronzed carry-on suitcase to haul around his signature giant nappy shorts, his Lurch-shouldered coats, his monstrous Plexiglas-heeled boots. They were all present and correct, Owens' truly great greatest hits. They were, of course, upgraded — even when Owens sits on his laurels (which you felt, perhaps, he was doing this season), he finds something new and deranged to propose.

This time, for instance, his boots came covered in chopped-up slivers of leather that made models seem as if they'd slid their calves inside fantastical, fetishistic sea-urchins. That's a compliment. "I can need less, but make choice count more," wrote Owens in his show notes, a mantra for hand-luggage-only carriers everywhere. Consumers also don't need relentless novelty — especially not from a designer like Owens, who ceaselessly pushes us on. This was a solid show, filled with great things his customer will want to buy even second time around and stuff in one of those fantastic suitcases.

Established in 1837, Hermès is the oldest house showing this week, and Véronique Nichanian has been designing what it calls its "men's universe" since 1988. Her work consistently reworks Hermès-isms — scarf-prints, leather, equestrian tack — but never so much it scares the horses. This was a perfect Hermès collection, the best bits being prints translated to intarsia knit sweaters, and horse-blankets transposed to the lining of glistening parkas. And the Hermès Birkin — the one that recently inspired a viral Walmart rip-off — came with its composite parts traced on the surface of leather, like a blueprint. Nichanian's work is a blue-print for how history can be inspiring, and how a luxury house can use elements from its past to fashion a fantastic future.

> Chavarria and Kawakubo used the global platform of fashion to sell a message, rather than just clothes

Kim Jones provides another such blueprint — but his job as artistic director of Dior's menswear is trickier. Translating a historically feminine haute couture house to men's fashion could easily wind up costume-y and alienating to a conservative luxury customer. He manages not only to avoid that, but to flip our perceptions entirely. He based his show on a Dior women's couture collection from 1954, when the founder eased his original cinched-in hourglass silhouette with a tomboyish ease. But, honestly, the wonder of this collection belongs to the hand of Jones and Jones alone, who is one of the finest men's fashion designers of the 21st century.

To a swelling Michael Nyman soundtrack, he sent out models in exquisitely crafted clothes. There was tailoring and knitwear and evening jackets in silk with big fat bows on the back — a whole wardrobe, but stylised and pushed. If other houses pump out emotionless merchandise — something Jones can do too, to make the tills ring, when he needs to — this show was filled with soul, clothes with meaning, and with the sense that Jones is a designer who believes, ardently, in what he does. After the show, he received a standing ovation; a few hours later, the American Vogue editor-in-chief Anna Wintour pinned the Légion d'Honneur on his lapel. He deserved both.

So that's the past and the present. Tomorrow belongs to Rei Kawakubo. Recently, designers have shied away from showing anything with military undertones — rumours say certain styles were cut from a few collections, hewing too close to the political moment. Kawakubo called her Comme des Garçons collection "To Hell with War" and sent out an army of models in helmets bedecked with flowers, the clothes underneath twisting fatigues and olive drab and army greatcoats into wonderful and brave new forms.

For a prescient comment on our troubled times, her only competition was the New York-based designer Willy Chavarria, who showed in Paris for the first time. He took over the American Cathedral, and showed a collection with strong clothes and, maybe, an even stronger message. Chavarria has Mexican-American heritage (on his father's side) and a spirit of resistance. He filled his show with a mixed cast of friends — including trans women, such as the musician Honey Dijon — and for his finale filled the nave with the sound of Bishop Mariann Edgar Budde's now-famous sermon delivered in front of President Trump, and calling for compassion.

Here's the thing about history — when you look back, you want to be on the right side of it. Chavarria and Kawakubo used the global platform of fashion to sell a message, rather than just clothes. They are what people will remember from this mixed-up fashion moment.



Top: Kim Jones' AW25 menswear, based on a Dior 1954 women's collection

Above, from left: Louis Vuitton showcased biker jackets; Hermès translated scarf prints to knitwear; Rick Owens' boots came covered in slivers of leather; Willy Chavarria used Baroque colours — Filippo Fior, Owenscorp / Valeria Mazzanti, @luca.rombolini

Travel

An art-lover's pilgrimage

Brazil | Inhotim, a huge modern art collection set among forests and tropical gardens, has finally got its first hotel. *Paul Richardson* spends a night at the museum





At the end of a sweltering day, a tropical downpour has refreshed the evening air. Big blue butterflies swoop among the ferns. The people walking the paths of this open-air museum seem a little dazed, as if overawed by the conjunction of contemporary art and natural beauty, both on a grand scale.

Outside international art-world circles, mention of Inhotim (pronounced "in-yo-cheem") tends to elicit puzzled looks. Founded in 2002 about 200 miles north of Rio, for the first few years of its existence it was essentially the private paradise of its creator, mining magnate and art collector Bernardo de Mello Paz. When, in 2006, the gates of the estate were thrown open to the public, the first visitors found a huge botanic garden that was also a repository of top-drawer modern art. Today 140 hectares are open to visitors, containing some 560 artworks in 24 galleries as well as outdoors among dense tropical woodlands buzzing with wildlife. There's a strong showing from Brazilian artists such as Cildo Meireles, Adriana Varejão and Hélio Oiticica; international names include Olafur Eliasson, Yayoi Kusama, Zhang Huan and Doug Aitken.



Inhotim's comparative remoteness, beside the small town of Brumadinho in Minas Gerais state, helped imbue visitors with a sense of being on an artistic adventure but also presented a logistical problem. There were no standout hotels in Brumadinho, meaning many visitors tried to tackle the whole museum in a single day — an impossible task — before making the long drive back to Belo Horizonte, the state capital.

The game-changer is Clara Arte, a hotel inside the grounds, which opened in December — at least a decade behind the original schedule. It stands in a forest clearing, its low-slung structures hugging a gentle slope with a view of wooded hills. Forty-six individual units or *bangalôs*, some of them perched on stilts, are laid out along paved tracks, each with an outside deck looking out into the canopy. There's an occasional whoop of a distant train horn echoing romantically through the woods, but the sense of seclusion is palpable.

If I'd somehow imagined the hotel would be a solemnly chic "boutique" suitable only for serious art-lovers, this was not quite that. In some ways Clara Arte is an unusual creature: elegantly designed yet family-friendly; all-inclusive (you even wear the bracelet, which doubles as a room key) yet with a whiff of exclusivity.

What's not so surprising is the artistic connection. Works of art adorn the public areas of the hotel and an informal "art talk" is held every evening in the piano bar, fuelled by champagne and big bowls of popcorn. The tiles of the indoor swimming pool were designed by Brazilian artist José Patrício, and even the children's playroom has immersive murals by Cássio Vasconcellos: "I wanted a place that kids could enjoy as much as their parents," confirms Taiza Krueder, owner of Clara Resorts, a small independent hotel group with two existing properties, both in the state of São Paulo. "I didn't see why this had to be either a hip design hotel or a water park," she says.

An early decision was to hire São Paulo-based designer Marina Linhares, who had done interiors at Clara's Ibiúna hotel as well as those of Krueder's own São Paulo home. (It helped that Linhares was already a big Inhotim fan, visiting the museum up to four times a year.) Any suggestion of a rustic jungle lodge is banished by her design for the bangalôs, which channels Brazilian mid-century modernism (the curvaceous forms, the omnipresence of wood) with her usual neutral colours and natural fibres — indeed, this richly textured minimalism seems almost *too* sleekly urbane for the sylvan surroundings of Inhotim.



Main: 'Invention of Colour' by Hélio Oiticica, one of many site-specific pieces at Inhotim

Top right: the steel-and-glass forest dome housing Matthew Barney's piece 'De lama lâmina' (shown above)

Below, left: guest rooms at the Clara Arte hotel are spread out among the trees, and, right, one of the public areas — Brendan Campos Pedro Motta

Two further picks were Leo Paixão, Minas Gerais' celebrated chef, whom Krueder tapped for a culinary concept embracing both traditional *mineiro* cooking and modern Brazilian cuisine, and Gabriel Sodré, a young mineiro formerly at the helm of Michelin-starred Chispa Bistró in Madrid. Currently getting to grips with the complexities of a kitchen operation that includes a charcoal grill, a wood-fired pizza oven and a buffet offering up to 18 dishes at any one time, Sodré plans to add a gastronomic restaurant showcasing his personal brand of Japanese-Brazilian fusion.





On the first morning of my January visit, the hotel breathes a languid, loose-limbed holiday vibe. Children frolic in the infinity pool or gather in groups around enthusiastic young monitors while their parents top up their tans. *Tudo bem?* (everything OK?), the universal Brazilian greeting, is the morning mantra among the guests, who pad around in flip-flops (the universal Brazilian footwear) and baggy shorts.

I wonder: are these well-to-do *paulistanos* here for the art, or for a stress-busting vacation at a bijou upscale resort? Krueder estimates that 75 per cent of clients are regulars at her other two properties, but trusts they'll tear themselves away from Clara Arte's wraparound comforts to venture into the wonderland on their doorstep.

They'd certainly be foolish not to. From the hotel a stone path leads through the woods and into the park as it were by the back door. Guests enjoy free entry even on Mondays and Tuesdays when Inhotim is closed to the general public. Guided tours are laid on for adults and, in a tailor-made educational version, also for children.

What with restaurants and snack bars, a design store, drinking fountains at intervals along the paths and a fleet of electric buggies ferrying visitors between the galleries, Inhotim provides a complete day out, yet the entrance fee is a modest R$60 (about £8). The park has an upper limit of 5,000 visitors per day, but its great size means it almost never feels busy.

Junio Cesar, a full-time guide who was born and grew up on the original hacienda, leads the way, reeling off some of Inhotim's impressive statistics: more than 500 employees including 84 gardeners, 15km of paths, about 100 bird species, more than 4,300 varieties of plant. The 24 galleries run the gamut of architectural styles, from concrete bunker and tiled-roof farm building to photographer Miguel Rio Branco's rusted-steel hangar evoking the grim hulk of a slave ship.

Their contents range from installation and sculpture to video and photography, and quality is uniformly high — any of these galleries would be standouts even in a big-city context. Highlights for me include Matthew Barney's monstrous tractor, a powerful argument against deforestation, and Claudia Andujar's stunning photographs of Amazonian tribes. Then there are the site-specific open-air pieces: turn a corner and you might stumble on a Dan Graham plate-glass room, a concatenation of steel girders by Cildo Meireles, or the giant kaleidoscope that is Olafur Eliasson's "Viewing machine".

Paz had long dreamt of a hotel within the park, and in 2011 he broke ground with a design by veteran Brazilian architect Freusa Zechmeister. Though the hotel was slated to open in 2014, building work came to a halt that year. (Official statements at the time blamed the shutdown on "reassigning financial resources to other areas of Inhotim".) In 2017 Paz was arrested for money-laundering and sentenced to nine years in jail. He would be acquitted three years later but in 2019 the collapse of an iron-ore tailings dam in nearby Brumadinho left around 270 dead, directly affecting many of the families of Inhotim workers. And then came the pandemic.

> An informal 'art talk' is held every evening in the piano bar, fuelled by champagne and big bowls of popcorn

It must have seemed the stars were misaligned for Paz and his passion project, but all has come right in the end. A new airport is due to open by 2027 in the industrial town of Betim, just a 45-minute drive away, which will surely increase footfall. Inhotim seems likely to join the colonial towns of Ouro Preto and Tiradentes as a permanent fixture on visitor routes around Minas Gerais.

Now run as a public institute rather than a private museum and overseen by a board of trustees, the park is supported by corporate sponsorship, individual donations and membership. Paz has stepped back from the front line, ceding most of his collection to the institute but keeping part of it for a brand new space within the park, the Instituto Bernardo Paz (to open later this year).

A discreet, mildly eccentric gentleman in his seventies who avoids talking to the press, he can be glimpsed from time to time, a bohemian figure with a mop of white hair, in the bar of the new hotel, or strolling the museum's forest paths. By all accounts he is satisfied with what he sees. And honestly, who can blame him?

ℹ / DETAILS

Paul Richardson was a guest of Clara Arte Resort (clararesorts.com.br/clara-arte), which has double rooms from €600 including full-board and museum entrance

POSTCARD FROM . . . ENGLAND

A new breed of walking groups is reinventing an activity associated with sedate middle-age for a Gen-Z audience

It's a cold January afternoon in Kent, patches of snow still on the ground despite bright sunshine. On the North Downs Way, 20 miles from the centre of London, a dog-walker pauses and steps to one side of the narrow, muddy path to make space for a group of young people coming the other way. But a strange thing happens. As the man and the dog wait, the people just keep coming — two or three abreast, all seemingly in their 20s, smiling and chatting animatedly as they pour out of the woods along the path, a gregarious Gen-Z column almost 400-people strong.

Though he didn't know it, the man was witnessing the latest outing of Overground, one of a new breed of walking groups that is taking an activity previously associated with sedate middle-age and reinventing it for a Gen-Z and millennial audience. Information is shared on TikTok and Instagram, and the groups often meet in the Home Counties or within a short train ride of other major cities. For many of the organisers, it's about building community, harnessing the mental-health benefits of spending time in nature, encouraging participation from under-represented groups and getting away from hectic city lives. And for an increasingly sober demographic, the early starts on weekend mornings pose no problem.

Before starting their walking group DykesWhoHike in March 2024, neither Lucy Cooper nor Yas Message had been big hikers. "We wanted to see more of the countryside whilst making new connections. . . without relying on alcohol," says Cooper.

When the pair advertised their first hike on social media, the "Seven Sisters walk" from Seaford to Eastbourne, 60 people turned up. When 250 turned up for their second, they realised they might need to formalise a ticketing system to avoid hikes becoming "too intimidating for people to enjoy". Tickets now cost £2, and all 200 spaces typically sell out in minutes; in the past year, new branches have sprouted in Manchester, Leeds and Birmingham.

Last weekend I joined another new group, the Adventure Girls Club, meeting up with 12 women and two dogs at Bath station for a foray into the Downs. "The [traditional] hiking community can often focus on hiking the farthest, fastest or the most challenging route," says the group's founder Alice Keegan, "whereas I love to hike slowly, take in the views, notice the nature around me — a more mindful approach."

Keegan, a qualified mountain leader, used to live in London's bustling Bethnal Green and work as creative director of a design agency catering to the music industry. Feeling burnt out, she took herself solo hiking in the Lake District and began to appreciate how beneficial the outdoors was for her mental health. Now she wants to support others to "escape the stress of modern living".



Matthew Cook

We file out of town and wind up steep woodland footpaths towards Sham Castle, built in 1762 for Ralph Allen, one of the key figures in Bath's Georgian revival. As we meander through Smallcombe Wood, Keegan points out species of fungi including the frills of a turkey tail, and the black bulbs of King Alfred's cakes.

But if connecting with nature is a key obsession, it is the digital world that is enabling these new communities. Lauren La Faci, TikTok's London-based consumer communications lead, says that "In recent months, hiking enthusiasts have been captivating millions with stunning landscapes and hiking tutorials". On the platform, #hiking has 5mn posts (and #hiketok has 270,000). In comparison, #swimming manages 2.1mn posts.

For Jeb Jagne, who founded Overground in July 2023, "walking became a way of taking a breather and a way to decompress" after suffering a bereavement, relationship breakup and job loss within the course of a few months. Overground hosts monthly walks which are accessible within an hour's train journey of the capital. On their first walk, 43 people showed up; now there can be as many as 500.

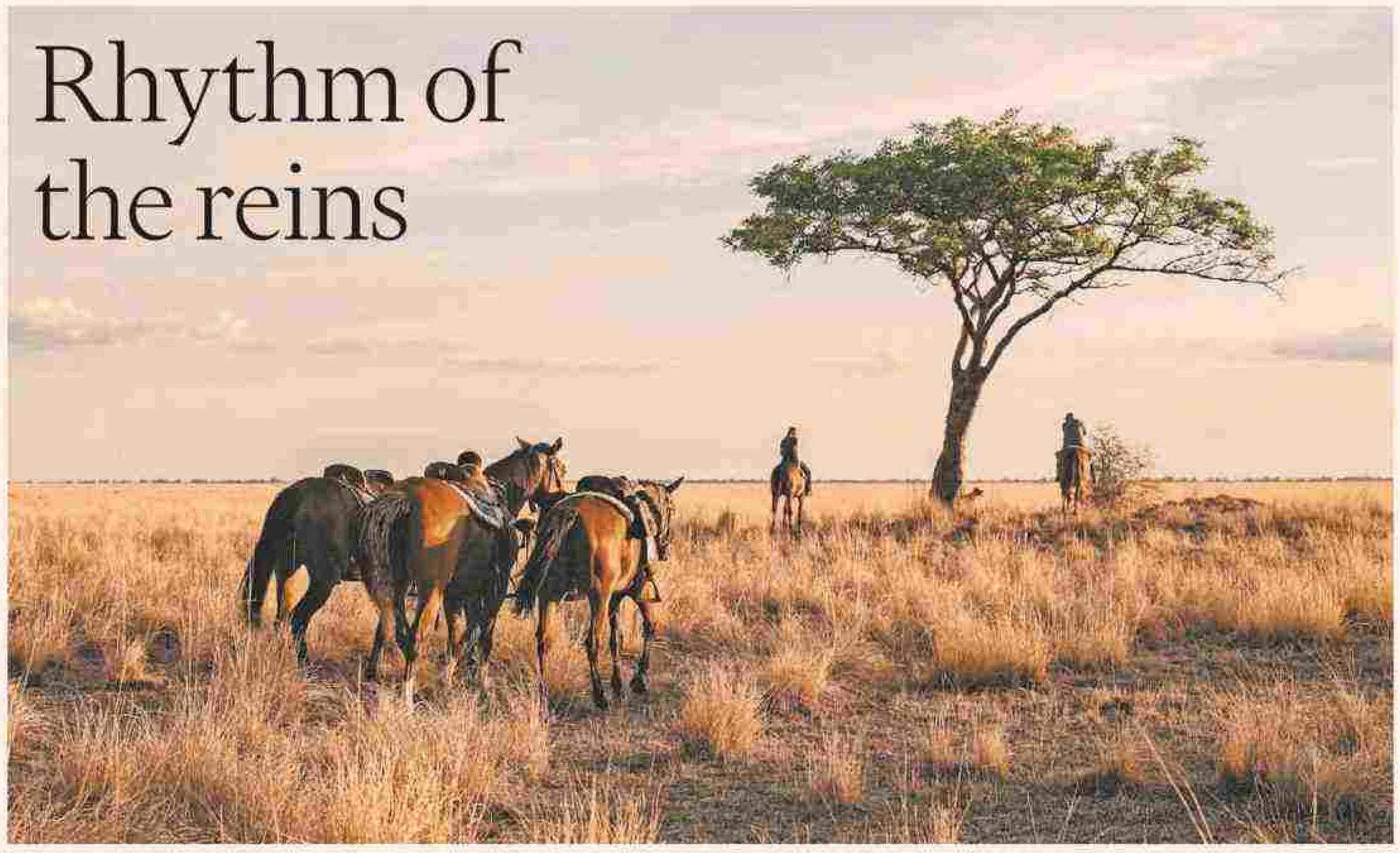
The walks are free and non-ticketed which means the organisers can't limit numbers. "There are already so many barriers when it comes to finding space in the outdoors, I wouldn't want to introduce another one," says Jagne. Overground is now fundraising to set up a training programme for people from marginalised groups to become mountain guides.

Jagne, who previously worked as a DJ and nightclub promoter, has been sober for the past year. "I've seen people meet at Overground and form solid friendships, move into new homes and even go on holiday together," he says. "The walks will always be our North Star but what really matters is being that first domino in forming a new connection."

Back in Bath, 13km trodden and legs aching, the Adventure Girls Club troops back to the train station. The group splits, exchanging social-media contacts and "nice to meet you's", returning to suburbia with new friendships forged — if a little muddier than four hours earlier.

Leah Quinn

Rhythm of the reins



Zambia | Far from any roads, the vast plains and big skies of wildlife sanctuary Simalaha are best seen on a horseback safari. By *Sophy Roberts*

It was late November and Zambia was still waiting for the rains. The air was hot, the earth a dried husk, the delicate, feathered heads of papyrus motionless under a dazzling blue sky.

I'd just come from Zimbabwe and Botswana where wildlife was struggling from an extended drought. Elephant calves had perished from a lack of food and there was trouble brewing — elephants on crop raids, talk of culling quotas — all along the edges of the protected zones which make up the Kavango-Zambezi Transfrontier Conservation Area, or KAZA TFCA. This vast contiguous territory, larger than Germany and Austria combined, connects wildlife-rich parks and reserves in Angola, Botswana, Namibia, Zambia and Zimbabwe.

It was in pursuit of better news that I drove over the border into Zambia, following a tip-off from the Zimbabwe-based safari guide, Rob Janisch. He'd recently visited an 1,800 sq km community conservancy called Simalaha in the heart of the KAZA conservation mosaic,



on the Zambian side of the Zambezi river. "Simalaha can help uncork the bottlenecks caused by elephant overpopulations, opening up corridors for wildlife to migrate into Zambia's Kafue and Sioma Ngwezi National Parks," said Janisch. "Elephants will swim the river if they need to."

He told me about a Zambian couple called Gail Kleinschmidt and Doug Evans who'd recently started horseriding safaris in Simalaha. They'd invested in four tented guest rooms on wooden stilts, and a herd of 25 riding horses, to create the only tourism operation inside the 400 sq km wildlife sanctuary at the conservancy's heart. I thought their frontier approach alluring.

So was Simalaha's founding concept. From 2012 until his death in 2023, Inyambo Yeta, traditional ruler of the Lozi's Sesheke Chiefdom in Zambia's Western Province, had strived to turn this territory into the landscape of his ancestors, where people, cattle and wildlife coexisted. With levies on tourists, he envisioned Simalaha, co-managed by the indigenous Lozi people and Peace Parks Foundation, as a modern, self-sustaining conservancy that could protect his descendants' natural heritage, support species reintroductions (including puku, eland, sable, roan antelope and giraffe), while also helping to release the wildlife pressures building in the south.

To get to the start of my safari, I crossed the border from Botswana at Kazungula — an easy transit using a KAZA visa, designed to encourage friction-free travel to the region — and in less than an hour's drive, pulled up where the road ran out at a riverside village called Mambova. From here, I set off in a boat for the camp, accompanied by Kleinschmidt. On the water, a liquid stillness prevailed. A fisherman glided past in a dugout canoe, his punting pole puncturing the glassy reflections of the sky. Cattle with horns shaped like sickle moons came down to drink. A pair of fish eagles wailed a plaintive duet.

With reflections of village life wrinkling in our wake, we skimmed along the expanding ribbons of water. Every few minutes, we moved from a smaller tributary to a wider channel. The wildlife expanded too, into a reassuring profusion, which included flocks of white egrets with necks as slender as Japanese brushstrokes, belching hippos with ears spinning in the pools, and fat crocodiles basking on bone-white sands.

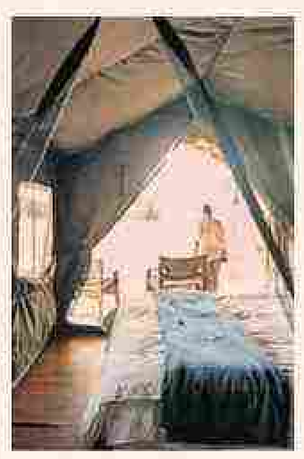
As we turned into the main river, the Zambezi delivered everything I'd hoped for: a colossal, swirling, unpredictable current uncoiling towards Victoria Falls, 80km to the east, where it explodes into plumes of white smoke. We'd entered big sky country, the shade-bottomed clouds swollen into cotton-ball towers reaching upwards into the vault of blue.

We travelled upstream, meandering north-west along the Namibian border for almost two hours until we eventually swung right, slowing down to clear a fishing net illegally slung across a waterway. We paused to negotiate the purchase of some okra from a farmer. On the opposite bank, a red lechwe watched us like a guarding centaur, its chestnut hide glistening amber in the sun. Soon, a striking silhouette of five horses, Evans and his dog, emerged on the beach ahead.

I disembarked, changed my shoes for riding boots, and stuffed my saddle bags with camera paraphernalia. Evans told me to roam wide and freely (I'm an experienced rider, which you need to be out here). "The special thing about Simalaha is there are no big cat predators," he said. "We can stay out late and ride by moonlight."







With no lions lurking in the waves of golden grass, I relaxed immediately into the saddle (this is one of few riding safaris in Africa suitable for kids). The plains opened up ahead as we fell into the cadence of a long-reined canter. No one carried bull whips, which are used on other African horseback safaris (the whips let off cracks like gunshots to warn off dangerous wildlife). This was softer, an opportunity to take in the landscape without feeling like prey, our gentle advance revealing lines of grazing game, islands of waxen baobabs, and clouds softening to pink streaks across a watercolour sky.

From here on in, the horses would be our only means for getting about a conservancy that's largely roadless. If there were tracks, they were impermanent, inscribed by the cattle herders and donkey carts carrying papyrus stems. The plan was to ride out from camp twice daily, accompanied by Evans, his Australian cattle dog, Mopani, a Lozi-speaking riding guide called Gibson "Mukela" Mbagweta, and a young Malawi-raised British groom, Fred Thomas, mounted on a spotted Appaloosa.

Evans, a fourth-generation Zambian, talked about how the land was hungry for rain — the cattle were suffering, the water levels too low for fish to breed — but how, in a few weeks time, the plains would flush a rich green.

From top: Sophy Roberts' riding group at Simalaha; Gibson Mbagweta and Doug Evans riding on the shores of the Zambezi; chef Henry Mununga at the camp's kitchen; one of the tented guest rooms. Below: hippos seen on a ride out from the camp; groom Fred Thomas on his spotted Appaloosa

Photographs by Sophy Roberts



Each year at the beginning of December, some 600-700 local Lozi would retreat to higher ground, utilising the sandy hummocks and villages poking out of the wetlands. But around 20 times that number would head 100km north on their annual transhumance migration before returning to Simalaha when the waters receded again in May. I'd come at the right time, said Evans; there would be plenty of people to meet, not just landscapes to traverse with long hours in the saddle.

We pulled up to the camp, which I liked very much, not least the order of priorities that spoke of Evans's true affections: the horses got their refreshments first (carrots on arrival), guests second (a fresh iced tea). The horses grazed freely as a herd, including some new foals at foot. I settled into the shade to listen to them whinny and play around the camp — a comfortable, unobtrusive mix of canvas and reed walls, sofas, and a simple dining table.

The kitchen was hidden in a copse, occupying a converted shipping container where a Lozi chef, Henry Mununga, concocted spectacularly good food: flame-seared steaks, nasturtium and green leaf salads cropped from Kleinschmidt's Zambezi gardens (the couple have a pretty six-cottage lodge called Chundukwa, 25km upriver from Victoria Falls), and homemade rosella and strawberry ice creams. The guest rooms each had a private balcony and terrace facing a waterhole. "I wanted it to feel homely, Zambian, like the farm I grew up in," said Kleinschmidt.

We ate, rested, talked about childhoods in the bush, then resaddled for an evening ride. Once again, there was talk of rain. Red velvet mites — signs of a change in weather — dotted the earth like a scattering of tiny pom-poms. The impalas' pregnant bellies looked heavy with expectation. We passed birthing wildebeest — calves just a few minutes old were already up on their feet — and scattered herds of sable, eland and Lichtenstein's hartebeest. These species had all been reintroduced from game farms to give Simalaha's rewilding a boost, explained Evans, as had 14 giraffes, a number that has quadrupled over the past 15 years. He described three herds of elephants that had recently migrated through the conservancy, and how hopes were running high for more.

That's how our days went, between big skies, delicious food, weaving our way through a modest abundance of relaxed wildlife, and sometimes riding on the river sands. We turned in for early nights and rose early, to beat the sizzling midday temperatures. I liked the pace, and the fact this safari was about so much more than galloping alongside skittish zebra. We stopped to talk with locals — a female game warden here, a cattle herder there, the latter minding a herd of 200. "I'm 72," said Sikili Simabu. "When I was a child I'd only see red lechwe but now, it's how it should be, including elephants on the western plains. Our children need to know about the animals that used to live here. And horses, I've never seen horses before."

One afternoon, I went to Makanga village, to talk with Monde Mulele, a leader responsible for representing her community's needs to Simalaha's conservancy trust. "At first, the people didn't understand the chief's vision," she told me, "but now they're very committed. He knew his people. He'd visit at midnight, because according to Lozi tradition, a chief can't travel by day. He'd show up in the village and we'd discuss everything. Now I think we have more wildlife than cattle. The elephants come, but they just pass by. We're expectant. We want to see more animals, more lodges, more jobs for young people."

"We're still at the beginning of what Simalaha can be," said Albert Mate, Peace Parks Foundation Conservancy Manager in Simalaha. "You have to understand that in a place like this, people have never seen horses or tourism. Until recently, they'd never seen a zebra. The children are seeing wild animals and visitors for the first time. Sometimes you have to see something to believe it exists."

> The land was hungry for rain, the cattle suffering — but in weeks the plains would flush a rich green

On our last ride, Mate's point took on a luminosity of its own, as if to prove that the human capacity to believe just needs a little bit of magic to ignite it. Something was happening to the light. The horizon looked like it was being electrically charged; it was still day, but the sky was darkening, which made the flowering fruits in the baobabs resemble powder-puffs, with white crinkled petals dangling from long stems.

Only when I turned to look back over my shoulder did I see what might be coming next. A lash of lightning. A splinter of silver cutting across the wild expanse. The rains were on their way, painting the sky a moody blue-black.

"It will be a few days yet," said Evans.

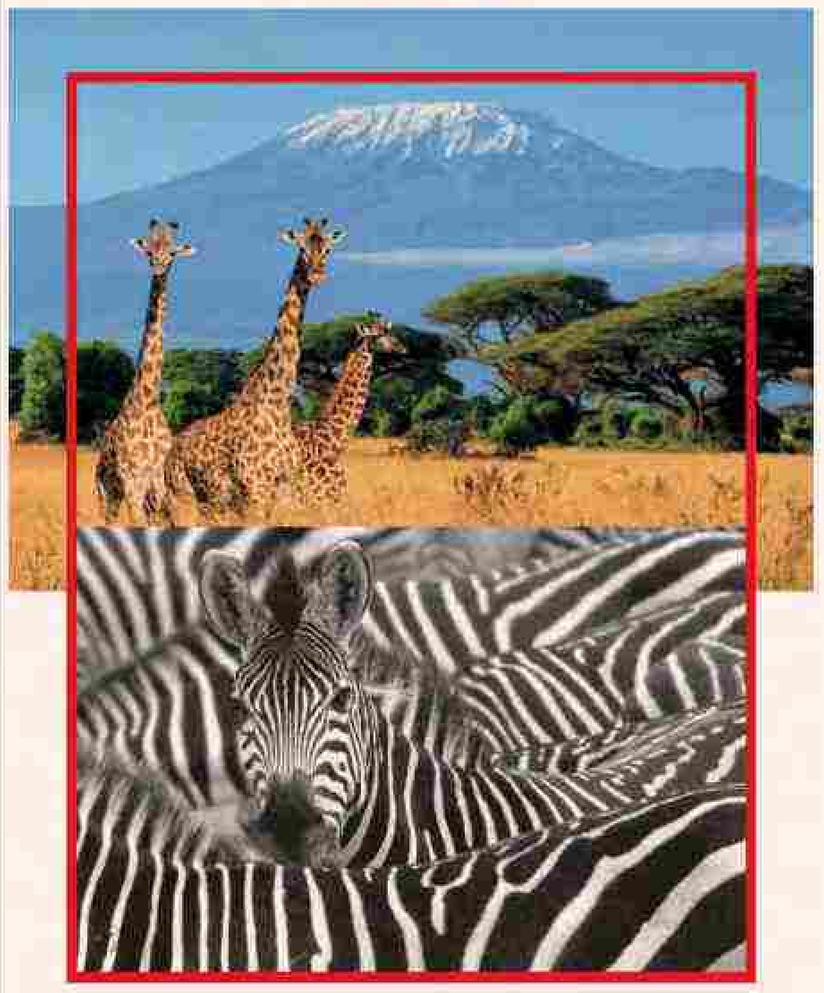
"I think sooner," said Mukela.

We took up our reins and pushed on; we needed to get back under canvas, to our sanctuary tucked inside a sanctuary, before the heavens finally broke in the annual cycle of renewal. I let my horse choose her pace, the rhythm of her hooves, the colour of the skies, the galloping herd of wildebeest conspiring to make me feel hopeful again — that places like Simalaha still existed, and that it was possible to still manifest a good man's dream.

i / DETAILS

Sophy Roberts travelled as a guest of Safarious (safarious.com) and Zambian Horseback Safaris. A seven-night trip to Simalaha, including five nights riding, and a night each side staying at Chundukwa River Lodge, costs from $4,120 per person, including return car and boat transfers from Livingstone. Privately guided safari extensions into the wider KAZA region can also be arranged

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Books
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A rollerblader checks her phone in Balboa Park, San Diego, November 2024 — Sandy Huffaker/Redux/Eyevine

Are we paying attention?

Essay | Technology is having an adverse effect on our ability to focus, with profound implications for civic and mental health. *Jane Shaw* on three new books that ask how we can preserve human experience in a digital world

The Sirens' Call: How Attention Became the World's Most Endangered Resource
by Chris Hayes
Penguin Press, $32/ Scribe, £20, 336 pages

The Extinction of Experience: Reclaiming Our Humanity in a Digital World
by Christine Rosen
Bodley Head, £22/ WW Norton, $29.99, 272 pages

Learning from Silence: Lessons From More Than 100 Retreats
by Pico Iyer
Cornerstone Press, £16.99/ Riverhead Books, $30, 240 pages

My experience is what I agree to attend to," wrote William James in 1890. The philosopher, also dubbed the "father of American psychology", was seeking to answer the question: what shapes our minds?

But what might that mean in our 21st century technological world, in which reality and unreality are so often blurred? It is a subject of much anxious debate — and lots of books. Two notable new additions to this ever expanding canon, *The Sirens' Call* by journalist Chris Hayes, and *The Extinction of Experience* by think-tanker Christine Rosen, suggest that attention and experience, such essential components of being human, are under threat.

The story which the authors tell is a largely familiar one. The speed, scale and scope of technological innovation in the past two or three decades mean that the quality of our daily life is being changed — and not for the better. We might raise an eyebrow at the obviousness of this story, but we are all caught up in it. The utopian early days of the internet have given way to fear and loathing, and yet we cannot tear ourselves away from our screens. There is much to the critique offered by Hayes and Rosen. Why else would my friends who work in Silicon Valley insist that their children read actual books and play board games, with strictly limited screen time?

For Rosen, senior fellow at the American Enterprise Institute whose previous books have addressed subjects such as pop culture and religious fundamentalism, too much screentime means that our experience is increasingly mediated. Technology encourages an "absent presence". It's the photograph, posted on social media, of our meal or travel that counts, not our experience of the food or the place. We find it hard to read people's faces and body language when we communicate screen to screen. Even the turn from handwriting to typing means that we are losing vital connections between brain and body that help us learn.

As Hayes, host of a popular MSNBC news TV programme and author of a book on meritocracy in America, notes: our experience is barely our own any more. "To exist online now, which is, for most people, to exist at all, is to be, at every waking moment, seeing yourself through the eyes of others," he writes in *The Sirens' Call*.

Rosen laments the decline of civility, and all the human interaction it presupposes. She suggests that the speed of the internet, enabling us to find out almost anything within seconds, has led to greater impatience and a resulting rudeness. Walking along the street with our heads buried in our phones means that we no longer notice or make way for other pedestrians; public spaces have lost the carefree sense of people just enjoying themselves.

The Extinction of Experience focuses on daily life and remains largely within the personal and social spheres. Rosen delivers an occasional jibe at the tech entrepreneurs, such as Netscape co-founder Marc Andreessen, who, in her telling, offers increasingly dystopian plans for making all of our experiences virtual, which, he claims, is better than most people's reality.

"Defending reality is not a privilege; it's crucial to ensuring a flourishing human future," writes Rosen. Yet, she offers no critique of the economic structures that may enable only the likes of Andreessen to afford and enjoy any experience of beautiful reality that they want.

Hayes offers a sharper and more politically acute analysis of the problem. We are living in what he calls the "attention age" and, with an infinite stream of information, everyone is clamouring to get our attention. The more information there is, the less attention we can pay to any of it. "Public discourse is now a war of all against all for attention," and it's making us "battle weary".

With so much information on the internet now monetised, attention is the coin of the realm. Tech companies, marketers, advertisers, influencers — they all want every second of our time. In short, they are fracking our minds. You can buy people's attention — Elon Musk spent $44bn purchasing Twitter (now X) to do this — but the more you try to capture it, the more it is cheapened as a commodity.

It is Hayes' argument about the effect on politics of this war for attention that I found most arresting. He goes back to America in 1858, and a crucial election campaign debate in Illinois on slavery between Republican Abraham Lincoln and Democrat Stephen A Douglas. Quoting chunks of the dense prose of their speeches, each lasting at least an hour and repeated to crowds across Illinois, Hayes suggests that no one could hold that kind of attention now. We have created a public that has difficulty sustaining any kind of focus at all, quite the opposite of the initial hope for the internet that the wisdom of the crowd would radically democratise global conversations. Instead, the old way of political debate, which entailed getting people's attention and then persuading them of the rightness of your policies and ideas, through the back-and-forth of discussion, has fallen apart.

If the "attentional regime" (rules and norms) of persuasion and debate, the backbone of democracy, is crumbling, Hayes suggests that President Donald Trump's success in politics lies in his capacity to seek attention. He is relentlessly "pulling off the improbable trade of persuasion for attention, likeability for salience", not least through social media. The context is online platforms that regulate attention for the sole purpose of maximising its monetisation through advertising. There is no purpose other than that — certainly not the vigorous debate we need for democratic decision-making. This has profound implications for our civic health.

What's the solution? If either Rosen or Hayes had the silver bullet answer they would have cracked one of the major problems of our age. Both offer suggestions. Rosen wants to promote the revival of human experience, whether through art or handwriting coaches or reviving public spaces, and presses consumers to make tech companies more accountable. Hayes urges us to quieten and reclaim our minds, so that we can flash the beam of thought where we want it to go, focusing on what matters to us.

Perhaps the answer lies in a different way of being. For a complete counterpoint to the story that Rosen and Hayes tell, I urge everyone to read Pico Iyer's beautifully written, meditative book, *Learning from Silence* (published as *Aflame: Learning from Silence* in the US). As I turned to this, I felt my blood pressure reducing, and I began to read in a different, slower, and more concentrated way.

For over 30 years, Iyer, an essayist, travel writer and novelist, has been going on retreat to a Roman Catholic monastery in Big Sur on the coast of California, midway between San Francisco and Los Angeles. There, sitting in silence, he wrote thousands of pages; this book is a distillation of all those pages.

Iyer is not a believer. What drove him to the monastery initially was not the pervasiveness of technology — which, refreshingly, barely merits a mention here — but California wildfires. When his house was burnt to ashes 34 years ago — wildfires in the Californian hills recur throughout the book, reminding us of how persistent that danger has been in recent decades — a friend suggested he go to the New Camaldoli Hermitage, in the Benedictine contemplative tradition. For $30 a night he would have a room to himself with a desk, a bed, a rocking chair, meals, and extraordinary ocean views.

Iyer's preconceptions about monastic life were quickly revised. The silence was not that of a deep forest but it was, rather, active and thrumming, reminding him that this place was not outside the world but at the heart of it.

There in Big Sur, looking out to the blue of the ocean, he enjoys the singing stillness and learns that the point of being there is not to get anything done but only to see what might be worth doing. Contemplation is about coming to your senses, getting out of your head — not so much closing your eyes as opening them. "The world isn't erased here," he writes, "only returned to its proper proportions."

> 'Defending reality is not a privilege; it's crucial to ensuring a flourishing human future,' writes Rosen

Over the years, Iyer gets to know the monks, especially the "burning-eyed" Cyprian, who loves to play music. When Iyer's partner finally visits the Hermitage with him, she says "For thirty years, I thought you were an only child. Now I see you have all these brothers!"

It may seem strange that Iyer found the in-person experience of new friendships, new family, in a silent monastery. Indeed, spending time in a religious community is not for everyone. But what Iyer shows is that to have this kind of authentic experience — one which Hayes and Rosen yearn for, in our digital age — you have to develop an intentional and sustained practice.

Rosen and Hayes focus on setting out the threats to our humanity that are engendered by technology, and their analysis is important, but their solutions are somewhat piecemeal. It is Iyer who offers a vision of what it means to participate in the world in such a way that we pay careful attention to each other, to nature and to something greater than us that takes us out of ourselves and our self-absorption, so that we may experience life more fully.

At the heart of Iyer's book are beauty and silence. Reflecting on how all of this time spent in silence has changed him, he says that now he seeks the corner in the sun, the quietist part of the airport when travelling; he listens to Bach in the evening shadows of his home in Japan when he is waiting for his partner to get back from work. It's not that everything is solved, or anxiety has completely disappeared from his life, but it is now impossible for him to take so seriously the self that huffs and puffs.

Jane Shaw is Professor of the History of Religion at the University of Oxford, and co-author of 'Gen Z, Explained: The Art of Living in a Digital Age'

An open window on a computing pioneer

Microsoft founder Bill Gates offers a personal and moving account of his early years. By Richard Waters

If you've become an almost mythical figure in business and one of the most written-about people of your generation, could you ever hope to regain control of your own life story? That's the challenge Bill Gates takes on — with considerable success — in *Source Code*.

A highly readable account of his early life up to the creation of Microsoft, this first instalment in a planned three-volume memoir is unusually personal and laced with self-awareness.

The one-time *enfant terrible* of the tech world, who will hit 70 this year, doesn't hold back from admitting his shortcomings, starting with an overly developed competitive instinct. He is laconic in his descriptions of the small, squeaky-voiced young man whose insecurities and sense of his own lack of "coolness" fed a relentless drive. And he delivers a fast-paced account of the rise from programming prodigy to budding tech mogul, replete with cliffhanger moments and revealing new details.

The broad outlines of Gates' early life have been worn down with familiarity and are deeply entwined with the history of personal computing. When, in 1968, his school provides access to a minicomputer, a precocious 13-year-old discovers a passion for programming. He forges an alliance with an older student, Paul Allen, and together they realise that cheap microprocessors will soon improve to the point where low-cost computing will become widely available.

When Allen later bursts into Gates' Harvard dorm room to say that moment has come, the race is on. They are the first to write software that makes the new PC-like machines useful. Gates drops out of university and the company they call Micro-Soft is born. In Gates' own hands, this story takes on new dimensions. At the age of nine, believing he has reached an intellectual par with adults, he decides he no longer needs to accept rules laid down by his parents. The conflict and pain this brings to his family still makes him cringe, while the years of therapy that follow offer a moving depiction of a troubled boyhood.

Even more moving is the depiction of Kent Evans, a school friend who hasn't figured much in earlier accounts of Gates' life. Before the famous partnerships with Allen and Steve Ballmer, there was Evans: Gates' first programming ally, and the person who tempered his inexhaustible drive by getting him to think about his place in the world.

Evans died in a mountain climbing accident at the age of 17. The pain from that loss shines through in Gates' idealised depiction of his friend and the unresolved anger he still harbours over what he sees as a senseless death.

Through all of this, Gates looks back with detachment on the competitive intensity and intellectual ferocity that characterised his rise to the top of the computing world. He notes that one professor at college wrote that he was a "wise ass", and recalls storming out of another's class over a mistake only to realise it was he who was mistaken. He muses that, had he been growing up today, he "would have been diagnosed on the autism spectrum". But he makes no attempt to excuse his behaviour.



Source Code: My Beginnings
by Bill Gates
Allen Lane £25/ Knopf $30
336 pages

The story is propelled forward by Gates' obsession with programming and his ambition to create the first big software company. A first job writing software for a company payroll system was followed by an even more unlikely assignment, while still at school, to automate the matching of supply and demand for a giant electricity company. Gates is 13 when he first climbs out of his bedroom window at 10pm to go back to the computer lab, and is soon pulling all-nighters on his way to the top of a new industry based on the creation of code.

Inevitably, much of *Source Code* reads like self-justification. Gates and Allen (who wasn't a student at Harvard) camped out in the university's computing lab to develop their first commercial software, something that nearly led to his expulsion from the university. Gates defends their unsanctioned computer use as part of the anything-goes culture of the time.

Yet he has a different — and far more angry — reaction to the way many developers chose to copy Microsoft's code rather than pay for it, another practice that was part of contemporary computing culture. Other controversies are largely glossed over. Allen, who died in 2018, complained of being ripped off by his partner and called Gates unethical for insisting on taking a 64 per cent share in the new company after they had originally agreed on a 50/50 split. Gates mounts a brief defence here — that he was the one who took on prime responsibility for running the business. He also depicts his relationship with Allen as a complex one that at times veered into recrimination before always getting back on an even keel. But if the older Gates has learnt to sound less confrontational, he has lost none of the certainty about his own rightness.

Gates says he is committed to writing two more volumes of his life story, about his years at Microsoft and his philanthropic foundation. He may find it hard to bring the same sense of distanced objectivity to the controversies that marked his time at the top of the computing world, which were beset by accusations of bullying and culminated in a court finding of anti-competitive behaviour. But on the showing of this first outing as a memoirist, it should be worth the wait.

I TikTok, therefore I am



Nilanjana Roy

Reading the world

Perhaps the happiest being I've ever met is the youngest of our cats, Magnus Musafir, who spends 80 per cent of his time swaggering, eating, raising hell, sleeping, demanding cuddles, bounding and swinging off the curtains, and the remaining 20 per cent staring out across the roof in deep contemplation of The Meaning of Life. Most humans are not as wise as Magnus M; hence we need philosophers.

TikTok, the social networking site that hosts several communities of readers, first alerted me to the return of philosophers as essential guides to life for readers in their twenties and thirties. They made Albert Camus' novels *The Stranger (1942)* and *The Plague (1947)* bestsellers before and after the pandemic; they pass around quotes by Hannah Arendt and dissect Martin Heidegger's Nazi links.

And they have made cult favourites of modern-day philosophers such as Slavoj Žižek, the Slovenian Marxist public intellectual, and Byung-Chul Han, who argued against the "hectic rush" of today's "achievement society" in his 2015 *The Burnout Society*, and critiqued the relentless focus on storytelling as "storyselling" in *The Crisis of Narration* (2024). (Žižek remains puzzled by his TikTok fame, writing in a recent column for The Spectator: "A couple of times I've been tempted to reply under a pseudonym, attacking myself.")

For teenagers and adults alike, modern life can feel frantic, an endless to-do list that is by definition impossible to complete — and the answer to what makes a good life feels far more elusive in our age of constant churn and challenge.

Across the world, the ideas, provocations and prescriptions of philosophers, their advice on how to live and think clearly and their clarity on how to make sense of a sometimes bewildering world, seem ever more helpful. Agnes Callard, the American philosopher, makes a persuasive plea to return philosophical thinking to the centre of our lives in *Open Socrates: The Case for a Philosophical Life* (2025), socking it to readers in her first paragraph: "There's a question you are avoiding. Even now, as you read this sentence, you're avoiding it." We have busy lives, she writes, the days and hours speeding by as we tackle work, chores, friendships, children. "Your life is full. It has no space for the question, 'Why am I doing any of this?'"

Instead, she asks us to pause and to take Socrates, the Greek philosopher born in 470BC and known for his belief in the power of the examined life, as one's guide and do better. "We are unable to think about the most important things on our own, and we habitually shield ourselves from this terrifying fact. All of us, even professional philosophers, walk around with a conceit of knowledge separating us from other people . . . Socrates dismantled that barrier."

Callard speaks directly to what you might call the Fleabag generation. In the popular series of the same name, Fleabag confesses to her friend, a priest: "I want someone to tell me what to wear every morning. I want someone to tell me what to eat. What to like, what to hate, what to rage about". The fear she expresses — that you're living your life all wrong — is shared by millennials and Gen X alike, and Callard's Socratic vision offers a way out that is not glib, that requires more effort than journaling or posting reels, but that might help people change their thinking.

Other philosophers speak for us by asking big questions or bringing old ideas back to vivid life. In *Ignorance and Bliss: On Wanting Not to Know* (2024), the American political scientist and historian Mark Lilla helps clarify why facts and strong arguments may not change the minds of many. The desire to know, he writes, and knowing itself,

> Philosophers don't have all of the answers, but they ask the right questions — which may be what we're seeking

"is an emotional experience", far more than the senses sending messages to the brain. "Just as we can develop a love of truth that stirs us within, so we can develop a hatred of truth that fills us with a passionate sense of purpose."

Callard and Lilla approach ignorance and the search for truth in different, illuminating ways. Hanno Sauer, the German writer, philosopher and associate professor of philosophy at Utrecht University, takes another tack, covering five million years of human history in a brisk, engaging survey in *The Invention of Good and Evil: A World History of Morality* (2024), translated by Jo Heinrich. He holds out hope for co-operation and the discovery of shared, deep-seated moral values, citing the history of learning to work together when humans were merely the most intelligent of the apes, surviving in "large swathes of open grassland" for millions of years.

But he is also, refreshingly in a time awash with nauseous quantities of positive psychology, a realist: moral progress is possible, but not inevitable. "[E]very achievement has to be defended from the regressive forces of a stubborn human nature, the irrationalities of the human psyche and the mercilessness of fate." Philosophers are not inclined to dole out the syrup of Instagram inspiration; many of them held practical occupations, like John Locke who was personal physician to the Earl of Shaftesbury, or India's formidable Chanakya, who advised the emperor Chandragupta Maurya and his son, Bindusara around 300BC. As a tribe, they speak directly to the modern need to make sense of things. Ancient or modern, they don't often have all of the answers, but they ask the right questions — which may be exactly what we're seeking these days.

University challenges

An angry polemic on freedom of speech in higher education fails to analyse the complex problem clearly. By *David Willetts*

In *Bad Education*, Matt Goodwin argues that diversity of opinion is under threat in universities which "are no longer protecting and promoting things like free speech". Sadly there is clear evidence to support his case — from attempts to monitor "microaggressions" to shocking attempts to suppress the views of gender critical academics such as Kathleen Stock and Jo Phoenix.

Goodwin is angry about hostility he himself has encountered because of his support for the populist right and has made a journey from university academic (until last year he was professor of politics at the University of Kent) to political activist. But his anger gets in the way of analysing the convergence on the university system of a range of very different forces.

First is the intellectual climate, itself shaped by universities. They are where critical theory began and flourished. It is a theory which appeals to academics because it says that words matter: language is a tool of oppression. So our language and the curriculum have to be decolonised in order truly to deliver diversity, equity and inclusion. It is an agenda far removed from classic concerns of the left such as what people earn and what access they have to public services. And there is another crucial difference. There were always left-wing academics — as well as some of a more conservative disposition. But the university as an institution was not engaged in their arguments and did not take a view. Now there are universities, especially but not only in America, where advocates of critical theory have recruited university administrators who use university-wide EDI programmes to advance their agenda and try to require academics to comply.

Secondly there is the intense transgender debate, exacerbated in the UK by misinterpretation of the Equality Act. Too many universities, perhaps influenced by the LGBTQ+ rights charity Stonewall, interpreted the Act to mean any form of self-identified gender is a protected characteristic. The Reindorf review of problems at the University of Essex is a clear and authoritative account of serious mistreatment of academics as a result. Since it was published in 2021 no British university should repeat such behaviour.

The third trend is how students are changing. The psychologists Jean Twenge and Jonathan Haidt have persuasively argued that the rise in access to social media is leading to mental health issues for young people. This can lead to the introduction of trigger warnings and a belief that freedom of speech is less important than protecting people's feelings. However, higher education appears to provide some resilience to these pressures, lowering the risk of young people withdrawing from work because of mental illness.

There is a class divide too. Young white working-class men are even less likely to go to university than many ethnic minority groups. We should encourage more to go. The real luxury belief is advantaged graduates saying there is no point going to university when for many young people from disadvantaged backgrounds it is the most powerful tool of social mobility we've got. For those who were previously on free school meals, average graduate earnings growth in their first decade is 75 per cent, while for non-graduates it is 26 per cent. But instead of promoting the value of higher education, social mobility advocates have put more weight, probably excessive, on the early years.

There has also been the shift in attitudes away from globalisation, represented by Trump and Brexit. David Goodhart, cited by Goodwin, makes universities the arch-culprits in his moral divide between citizens of Somewhere or Nowhere. This is particularly hard on universities as most of them have places in their names. They are definitely somewhere and a good thing too. They are very likely to stay rooted in their place even if the big employers move out or the local paper closes down. The government may be underestimating the shockwaves if a university closes.

Add to this mix empowering the student as consumer. The student is not just a consumer, though the university fee is a contract to deliver a service and that strengthens the student voice. Most students don't want Marxist revolution but to get their academic work back promptly and seminars that are less crowded. But student satisfaction rankings have been given exaggerated weight and empowered students to threaten academics on very different issues.

There are university leaders who see that all these forces mean they have heavy new responsibilities which they cannot avoid. Universities should be the place where diverse young people learn how to disagree. The 2015 Chicago Statement of the principles of free speech in university is important and Goodwin wants "to force universities, through government action, to sign up" and then to practise what they preach.

His many anecdotes move between UK and US as if our two university systems are interchangeable. But there are important differences such as greater labour market protections in the UK (and even more in Europe). Protection from unfair dismissal matters if an academic is caught in a social media frenzy. This might explain the paradox that American and to some extent British universities have been far more susceptible to some of these forces than Continental Europe despite their intellectual origins in Continental postmodernist philosophy.

Goodwin wants to "use the powers of the state to restore justice and balance". The loss of confidence in the ability of universities to protect freedom of speech justified the 2023 freedom of speech legislation with new powers for the university regulator, which I support. But this is tricky territory.

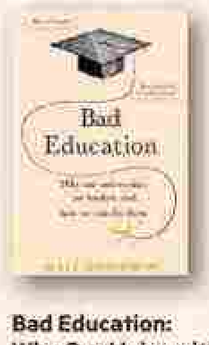
The problems began on the morning the previous Conservative government launched the initiative. On the *Today* programme the minister responsible was asked if this meant Holocaust denial would be protected, and she said yes. Holocaust denial is not itself a legal offence in the UK so her statement made sense for a proper free speech absolutist. Within hours, however, No 10 corrected her: it was not protected under the new legislation. We have never known what this free speech code is that does not permit some legal free speech. We do need stronger protections, but Goodwin doesn't engage with the issue of whether there are to be any constraints at all.

There is a great American tradition of academics worrying that the modern university is rejecting the culture which nurtured it — William Buckley's *God and Man at Yale*, Allan Bloom's *Closing of the American Mind*, and now Greg Lukianoff and Jonathan Haidt's *The Coddling of the American Mind*. In Britain we have tended to express our anxieties through the campus novel, a genre of which we are masters. Malcom Bradbury's *The History Man* skewers a certain sort of progressive academic with more skill and subtlety than Goodwin manages. Goodwin has some genuine grievances but he mashes different problems up together and then calls it all a row between right and left — if only it were so simple.

David Willetts is a former Conservative minister for Universities and Science and is author of 'A University Education' (OUP).



Republican and anti-fascist students protest outside the University of California, Berkeley — New York Times/Redux



Bad Education: Why Our Universities Are Broken and How We Can Fix Them
Matt Goodwin
Bantam £20, 256 pages

> Goodwin mashes different problems up together and then calls it all a row between right and left

To catch a falling star

An irreverent tour of the science and folklore behind the space debris that makes it to Earth. By Natalie Whittle

In the observation of meteorites, there are two distinct categories: the so-called "falls" seen crashing through the atmosphere to land on Earth, and the "finds" that are stumbled upon or searched for, an unimaginably long time after the celestial grounding took place.

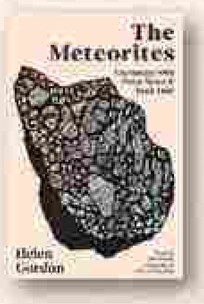
Within *The Meteorites*, Helen Gordon's irreverent tour of an inherently mind-boggling subject matter, records of witnessing and discovering are cleverly retraced to tell a human story as much as an astrophysical one. Although the book confronts, by necessity, the unknowable universe and the "far, cold reaches of space", what emerges most successfully is a portrait of people whose fascination and respect for these space rocks verges on religion.

Most meteoroids (they only officially become meteorites once they make landfall, or meteors if they burn up on entry to the atmosphere) begin life in the solar system's asteroid belt. Rarer are Martian or lunar meteorites. An extraterrestrial visitor with cataclysmic impact, such as the one that wiped out the dinosaurs, keeps its "asteroid" label, Gordon explains. Contemporary lines of inquiry into meteorites are dazzling — revealing evidence, for example, of extraterrestrial water or proving that a pre-Iron Age beaded necklace from an Egyptian tomb was made, around 3400-3100 BC, from an iron meteorite with "deep-time designs" inside, an "otherworldly pattern of kamacite and taenite crystals". Yet in planetary terms, the science has barely blinked. Gordon reminds us that it was not long ago that reports of "falls" were disbelieved altogether — relayed, as they most frequently were, by "untrustworthy" farmers and labourers whose work outside gave them low social status.

In the late 1700s, it was only the stubbornness of a scientist, Ernst Chladni, that challenged the dogma of the time, which said that the world's atmospheric reach ended at the moon. (Beyond was merely "ether".) Instead, Chladni insisted that "Stones didn't just fall from the sky; they fell from space". For one thing, they fell much faster than the force of gravity would account for.

This marked a critical scientific passage, understanding that what appeared as fireballs or shooting stars in the sky could be linked to solid objects on Earth; the meteoroids that survived entry gaining a "dark, glassy" surface or "fusion crust". But Chladni's breakthrough also cratered the comforting simplicity of believing in a small, contained habitat, opening up instead the daunting extent of an untravelable beyond. Midway through the book, Gordon's thinking about the subject develops its own kind of new fusion skin, putting forward a vision in which there is no barrier between our planet and our universe. "We think of our planet . . . as being separate to space. We are here, space is out there. Now I'm realising that of course this isn't true. Out there is all around us. Landing on our shoulders, falling on our roofs."

This point is backed up by a vignette about research into "micrometeorites"



The Meteorites: Encounters with Outer Space and Deep Time
by Helen Gordon
Profile Books £20
288 pages

that mostly fall as fine cosmic dust, save for a few larger examples which Gordon sees scientists sifting for on the rooftop of a Kentish cathedral. But for a work fundamentally involved with mystery, Gordon's take is perhaps delivered a little too easily or cosily — or perhaps did not need to be stated at all. The insight could just as well have been left to emerge, not least through the delicate glimpses of Gordon's own searching in the night sky from her back garden or the fact that humans have acknowledged meteorites' extraordinary value quite literally through steep hammer prices at auction.

Gordon is by trade a writer and natural historian, following on here from her first non-fiction book *Notes from Deep Time* about the geological layers of information that keep tantalising secrets about our planet's past. One of the richest seams in *The Meteorites* is in fact more folkloric than scientific. There is humour as she follows a meteorite being repatriated to its landing spot in an Essex village, where it is kept a secret for fear of meteorite-chaser invasion, and a sly sense of drama as she talks to a family whose lives were changed by a space rock falling in their Cotswolds garden.

It is a book in which there is an infinite amount to explore, chafing against the difficulties of space and deep time, but it's Gordon's eye for these human tales that keeps *The Meteorites* in focus.



Books

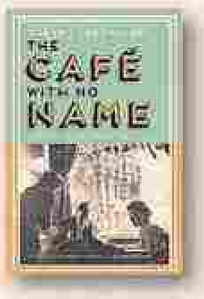


Alfie Shipgrave

Viennese worlds

Modernity and the past clash in Robert Seethaler's deceptively simple tale of an ordinary café in a city recovering from war. By *Matthew Janney*

Robert Seethaler's novels are spare and understated. His characters are often unassuming, terse, resilient — witnesses to a world that seems to rage inexplicably around them. If they are subject to the indiscriminate forces of history, they still possess an impenetrable separateness, as if belonging to a timeless era of forgotten wisdom.



The Café with No Name
by Robert Seethaler translated by Katy Derbyshire
Canongate £16.99/ Europa Editions $25
224 pages

The Austrian writer's new novel, *The Café with No Name* (translated by Katy Derbyshire), is another faithful rendition of this mood. Echoing the form of two of his previous novels — *A Whole Life*, which was shortlisted for the International Booker Prize in 2016, and *The Tobacconist* — the book focuses on a single individual, Robert Simon, an ordinary man whose blue eyes "were the only handsome thing about him", and who takes over a rundown café in "one of the poorest and dirtiest" districts in Vienna.

It is the mid-1960s and Seethaler paints a picture of a city recovering from war. Not only are many of its windows still covered in dust, but there are more ominous hints towards the city's absent souls. The narrator describes a pair of young lovers vanishing as if they had "sunk into the earth between the abandoned tracks" while another character dissolves into thin air. Most poignantly, as Robert Simon looks over his newly leased café, he sees a single woman's shoe on the floor behind the counter. Vienna's wartime horrors are barely mentioned in the text, but their ripples are everywhere; today, the Holocaust memorial "Shoes on the Danube Bank" in Budapest lies only a few hundred kilometres downstream.

Seethaler uses the fixed locale of the café to drive the novel forwards: characters come and go; relationships spark and extinguish; seasonal menus are launched and discontinued. The author's heavy use of dialogue (Seethaler is an actor by training) and the occasional dip into interior monologue expand the point of view beyond Robert Simon to all those who frequent his establishment. Seethaler's earlier book *The Field* took the form of a chorus novel, and there are echoes of this here too in the clinking conversations of the café.

The passing of time and the increasing modernity that arrives alongside is met with ambivalence in *The Café with No Name*. While the newspapers might report that the city is advancing towards "a radiant future" rising "from the morass of the past", not everyone is so optimistic. After the Reichsbrücke collapse in August 1976, which occurs at the end of the novel — a real-life event that saw the bridge suddenly plunge into the Danube — a man laments that the old Austria was "over and done with, for ever more". The café too is not impervious to Vienna's postwar tussle with modernisation.

Seethaler's books are coloured by mood, not ideas; they would never go as far as articulating a worldview. But there is a sense in *The Café with No Name* — as with his other novels — of a world whose cogs are whirring too quickly, disrupting the ordinary rhythms of human life. As one character in the novel says, "It wasn't individuals' private insanities that were the problem, it was the times in general."

What is it, then, that Seethaler's novels are trying to say? The answer is perhaps his prose itself: simple and restrained, it asks nothing of its reader except the bond of time. He encourages us to slow down and look around, before it's all over.

> There is a sense of a world whose cogs are whirring too quickly, disrupting the ordinary rhythms of life

"I just wanted to tell the story of a simple man," said Seethaler in an interview about *A Whole Life* in 2016, placing his literary preoccupations alongside writers such as Claire Keegan, John Berger or John Williams. But such modest ambitions, when precisely executed, make lasting impressions. This was true for *A Whole Life*, and while *The Café with No Name* packs less of an emotional punch, his latest fable-like miniature invites quiet wonder into the ordinary.

The sirens, the witches and the wardrobe

GENRE ROUND-UP
DEBUT FICTION

By Suzi Feay

Whether we ascribe the cause to the ubiquity of internet porn, the artificiality of computer dating or the illusion of infinite choice, finding a suitable life partner seems more fraught now than it's ever been. The only upside is that all this interpersonal trauma and uncertainty continues to inspire scintillating literary fiction.

And according to the latest crop of young female novelists, the problem lies squarely with men.

Hero, in the debut novel of the same name by Katie Buckley, is young, beautiful — as she candidly admits — and ferociously smart. She has slept with 108 men, been in love with a handful and is weighing up whether to marry the chef boyfriend who has just proposed. They are compatible, in love, and family and friends all approve — so why does the decision feel so impossible?

Over the course of seven days, Hero, a budding writer, addresses her thoughts and doubts directly to him, detailing sexual experiences, past relationships and conversations with similarly wronged female friends. Hero is weighed down by the archetypes of witches, selkies, mermaids and sirens who are punished in myth for their independence. The fairytale princesses, whose lives are a blank beyond "happily ever after", are no help to her either.

Hero, thoroughly solipsistic, makes no attempt to delve into the inner lives of the hapless males she excoriates. "I can't stop writing about you," she admits, "because even when it seems like it's about you, it's about me."

With its plotless snapshots of female rage, **Hero** (Tinder Press £16.99) is a fierce and thrillingly subversive read.

In contrast Alice, in Emma Van Straaten's **This Immaculate Body** (Fleet £16.99), knows exactly what she wants. Tom is the perfect, sensitive lover, and they are destined to be together for ever. She knows him intimately, has delved deep into his habits and preferences and, unperturbed by his occasional messiness, loves cleaning up after him.

There is only one problem — they have never met. She is his cleaner, and beyond the five stars and tip he apportions every week on the agency website, he barely knows Alice exists.

While Alice writes about Tom as though he's a deity ("He" and "Him" always capitalised), her own self-loathing is profound. At her best she has intelligence and a caustic wit, despising the girls at her other job "who talk about Lizzo as though she's Simone de Beauvoir". But as her obsession takes hold and a meeting is forced, rationality and restraint dissolves.

This portrait of a relentless stalker makes her more pitiable than frightening — at least until an unexpected ending reveals just how far Alice will go to merge her identity with the one she adores.

Mairéad, toiling backstage in a theatre in London's West End, also gets close to the material reality of her love object, in this case the leading man in *Uncle Vanya*.

Elaine Garvey's **The Wardrobe Department** (Canongate £16.99) is filled with eyelet-popping detail about the sheer effort it takes to maintain, clean and repair, day after day, the costumes in a major show. Washing undies, sewing gloves, racing to the cobblers and dry cleaners and endlessly sourcing stockings (Soho's sex shops are the cheapest option) are regular tasks. The producer is vile, there are backstage sex pests to avoid, and as well as being overworked and underappreciated, Mairéad feels stigmatised for her Irishness.

So alert to insensitivity is she that she blames one cock-up on accidentally glimpsing the statue of Oliver Cromwell outside Parliament. But a brief recall to the hometown she fled reminds her that she feels just as adrift and angry there. Whether she's detailing the drama of an Irish funeral or the panic of a backstage emergency, Garvey's control of tone and voice is faultless.

Seth Insua's **Human, Animal** (Verve Books, £10.99) also displays impressive levels of detail, this time about the operation of a dairy farm, where the cows have names and personalities but are treated with a lack of sentimentality necessary to running a business.

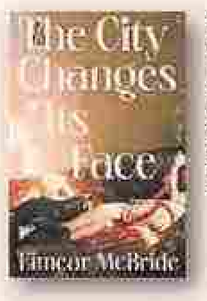
George and his elder son muck in, but younger son Tom is a problem, holed up in his bedroom, secretly wearing make-up and chatting to men online. When he falls for Luke, leader of a group of animal rights activists, love and family are hurled into opposition and Tom's very identity feels threatened. The characterisation is so adept that a plot which could seem contrived never fails to convince.

James Alistair Henry's **Pagans** (Moonflower £16.99) imagines a simpler, more brutal modern Britain. Unconquered by the Normans, it's filled with warring tribes: tattooed, axe-wielding Saxons, mysterious Picts and mystical Celts. Two cops, male and female, Celt and Saxon, must join forces to find a ritualistic killer whose victims are nailed to trees in imitation of an esoteric new cult.

Henry's mash-up of fantasy and crime genres is inventive, enjoyably nasty and frequently very funny.

Scream of consciousness

Doug Battersby praises a return to innovative form by Irish literary star Eimear McBride



The City Changes Its Face
by Eimear McBride
Faber £20
336 pages

Since the publication of her justly celebrated debut *A Girl Is a Half-Formed Thing* in 2013, Eimear McBride has been vocal about her mission to use modernist techniques to represent the sexual experiences of young women, including, most challengingly, experiences of sexual violence.

The grim story of *Girl*'s protagonist, subjected to mistreatment and abuse by a succession of men, is recounted in visceral prose unencumbered by any obeisance to the rules of grammar. Extraneous pronouns, verbs and even basic punctuation are willingly excised to present every thought and feeling with the greatest possible immediacy. The result is a novel as gripping to read as it is excruciating.

In her second novel, 2016's *The Lesser Bohemians*, McBride took her stylistic experimentation even further, introducing different font sizes, blank spaces and line breaks in the middle of sentences in an effort to score the very rhythms of consciousness. By contrast, 2020's *Strange Hotel*, revolving around a woman's anonymous sexual encounters in hotel rooms around the world, seemed like a definite backward step, in part because the protagonist's emotional numbness was ill-suited to McBride's style — at its best when dealing with stabbing intensities of sensation.

The City Changes Its Face takes up the story that McBride began in *The Lesser Bohemians*. The earlier novel centred on the tempestuous romance between the narrator Eily, an 18-year-old drama student newly arrived in London, and Stephen, an actor in his late thirties recovering from the ravages of drug addiction and the profound damage wrought by his mother's sexual abuse.



Eimear McBride — Getty Images

This latest work alternates between a single night the couple spend together in their flat two years later and Eily's recollections of the events of the intervening years — especially the strains created by Stephen's renewed intimacy with his estranged daughter Grace, who is only two years Eily's junior. Bubbling beneath the banal domestic commonplaces and awkward evasions of Eily and Stephen's present-day dialogue are dark allusions to a traumatic episode whose full devastation is not revealed until the final pages.

> The confidence of McBride's prose shows a writer at the very pinnacle of her craft

The longest of the novel's flashbacks records Eily's momentary reactions as she, Stephen and Grace watch the first cut of a barely fictional film that Stephen is making about his past life, focusing especially on his egregious treatment of Grace's mother. The confidence with which McBride meets the fiendish technical challenge of segueing between cinematic description, Eily's stream of consciousness and snatches of dialogue in this sequence shows a writer at the pinnacle of her craft.

Perhaps more divisive than McBride's stylistic exploits is her gravitation towards melodramatic extremes. Her novels overflow with crippling shame, sexual abandonment and coercion, drug-induced intoxication and self-harm and suicide. This propensity extends to the occasionally clichéd metaphors — of sharks smelling blood in the water or of scars left by past hurts — that sit oddly alongside original coinages that are as ingenious as they are unerringly apt ("upskittlement" being a particular favourite). But we shouldn't forget these are *Eily's* metaphors, and our 20-year old narrator has an unmistakable relish for the sensational. She is, after all, an actor in training.

After the disappointment of *Strange Hotel*, it remains an open question as to how successfully McBride might adapt her style to inhabit the consciousness of a less histrionic character. The evocation of Eily's irrational irritations, gnawing anxieties and micro-repressions in the opening pages give cause for optimism that this is a challenge that the author will one day meet.

McBride is at her most virtuosic in this novel when excavating forbidden emotional depths too dark to be confronted outside the pages of fiction. With its vividly realised characters, lurid plot and lyrically compacted prose, *The City Changes Its Face* is a typical McBride work. Praise doesn't come much higher.

This charming man

Actor Sonya Walger's debut is a complex tale of a charismatic, neglectful father. By Tomoé Hill



Lion
by Sonya Walger
New York Review of Books £12.93/ $15.95
176 pages

In an age where public appetite for private detail shows no sign of abating, actors taking up the pen might understandably deliver a straightforward memoir. But Sonya Walger, best known for starring in the hit American TV show *Lost*, has opted to weave a complex story of memory, lies and parenthood in the form of a debut novel.

Walger plays with the idea that the self we present to others is as much a creation as any fiction. *Lion*'s protagonist is also an actor called Sonya, whose life is divided between managing a young family during the pandemic and being away on jobs. While autobiographical elements of Walger's life are scattered throughout — "I am offered a job on a tropical island. It will take years to film" — *Lion*'s real autofictional intrigue lies in the narrative refractions of its primary subject: a comment on the malleability of remembering and perception. What begins with an apologia for writing primarily about an absent father becomes a cinematic drift where stories and personas are made up in the name of love.

Lion refers to the protagonist's dashing Argentine father, a magnet for risk and romance. We first encounter him in Kinshasa, about to flee a currency deal gone wrong, then Madrid, where he falls in love with Sonya's English mother.

This introduction is a foreshadowing. The lion gambles on what might be, "leaping into the unknown . . . and waiting for the consequences to catch up with him later", often adjusting the truth in the process.

He is by turns racing driver, polo player, futures trader and skydiver, divorces and remarriages trailing the wreckage of his good intentions. Women must survive him, and daughters are "littered behind him like a careless man might leave expensive raincoats".

Told through Sonya's memories and her perspective of her parents, there is a sense of detachment to *Lion*'s narrative. Cutting back and forth in time and across various countries, she appears to be viewing these lives, including her own, as one would a film or play. A thought repeated by her mother and father, "[n]ow, now is when my life begins", is echoed by Sonya: "I am ready for my life to begin." Like a call for a fresh take, it heralds the hopeful anticipation of new chances, but its ghost also haunts each new disappointment brought about by her father.

Linguistic repetition serves to emphasise Sonya's lack of a normal family structure and her difficulty in telling its story, whose paternal centre is unreliable in every way. What could be seen as an intrusive stylistic choice instead allows its characters an unself-conscious fragility and space for reflection.

As *Lion*'s narrator, Sonya represents an unwavering truth, the opposite of her father's fugitive choices which upset the lives of the family. Plunged into the intricate depths of familial turmoil with her as Virgilian guide, there is an emotional stillness in bearing witness to these moments.

The climax recalls WH Auden's poem about Bruegel's painting of Icarus: a man needing to fly close to the sun while the seemingly unremarkable lives below go on regardless of such follies. "*Se cayó*" — he fell — Sonya tells her stepsister, a simple phrase nevertheless containing the entirety of a life.

Lion is a poignant story of heaven and earth; a godlike man unable to fully be a father, and his grounded daughter, who despite everything continues to look up at the sky with love.

Arts

Life&Arts



Brazil's coming of age

Royal Academy | An upbeat show captures how modernist pioneers absorbed European influence and transformed it, *Jackie Wullschläger* writes

A pink manacá flower pirouettes on its petals, a mountain soars then swoops into the outline of a blue head and shoulders, and — although it is broad daylight — a sunset glares from within a monstrous cactus. In 1928, the year that Tarsila do Amaral (known simply as Tarsila) painted stylised forms dancing around a glassy pool in "Lake", Brazilian modern art came of age. Her magical realist landscape is the poster image for the Royal Academy's upbeat winter tonic of an exhibition *Brasil! Brasil! The Birth of Modernism*, presenting 10 artists from two generations, born 1880s-1920s.

It feels like summer in here. Lasar Segall's hot jungle landscape "Boy with Geckos" (1924), Alfredo Volpi's fluttering street banners "Façade" (1963) and "Flags and Poles", Candido Portinari's ghostly buskers spinning a slum dwelling into luminous cubes "Favela with Musicians" (1957), are typical of the paintings, spanning cubist-influenced figuration to abstraction, beaming warmth, light and wit. The show, arranged as individual artist displays, introduces some of Latin America's most exuberant painters, and is lightly curated, refreshingly free of politics and jargon even though it hinges on a postcolonial narrative.

In different ways, each artist pondered the question posed by Tarsila's husband, the poet Oswald de Andrade, in his 1928 "Cannibal Manifesto", demanding his countrymen gobble up European art to spit out something freshly, authentically Brazilian.

"Tupi or not Tupi?" Andrade asked: could a *mestiço* nation throw off colonialism and create a culture built on heritages of Tupi-speaking indigenous people, African ancestry brought by slavery, and Portuguese settlers, fused with the excitement of Europe's avant-garde?

Andrade's friend Anita Malfatti painted "Portrait of Oswald" (1925), the poet as a spiky firebrand whom you might meet in a prewar Berlin café. He glowers at the show's entrance, declaring Malfatti as the pioneer who, after studying in Germany, brought expressionism to São Paulo in 1916 with "Man of Seven Colours", a yellow-green-purple figure growing out of jungle vegetation.

Tarsila, a coffee heiress born in 1886, two years before Brazil abolished slavery, was bolder. She took off for Paris in 1920 and returned to paint the seminal nude "Black Woman" (1923) — exaggerated thick lips shooting off the face, a single drooping breast, simplified heavy body, showing the impact of her teacher Fernand Léger. The preliminary sketch is displayed here. The model was one of Tarsila's servants, and today it reads as racist distortion; in fact it was emancipatory, claiming Afro-Brazilian identity for a new national art defying colonialist academicism.





European experience was indispensable, but transformed as it hit Brazilian soil. Tarsila's "Favela Hill" (1924) applies Léger's chunky forms, bright hues and flat perspective to depict a Rio shanty town peopled by confident, jaunty Black figures. Segall's "Banana Plantation" (1927) is a cubist banana plantation whose flickering, fractured leaves frame the face of a Brazilian labourer resembling an African mask — the sort of "primitivist" sculptures that had mesmerised the artists with whom Segall trained in Dresden. "Banana!", bought by São Paulo city in 1928, was the first modernist painting purchased by the Brazilian state.

> The show is lightly curated, refreshingly free of politics and jargon even though it hinges on a postcolonial narrative

Lithuanian immigrant Segall arrived in São Paulo in 1923, brimming with hope. "I saw myself transported under a dazzling sun, whose rays illuminated the people and objects," he wrote. "Everything seemed to give the impression of radiating pulses of light. I saw purple earth, brick-red earth, almost black earth, a luxurious vegetation overflowing in fantastic decorative forms." "Light Reflecting in the Forest" (1954), its vertical stripes of subtle colour modulations piercing the dark depths to hint at mysterious pulsing forms among the dense Campos do Jordão pines, vibrates like an abstract metallic sculpture swaying in the wind.

Tropical tropes underpin modern expression in myriad unexpected ways. Portinari the social realist — "I am a son of the red earth. I decided to paint the Brazilian reality, naked and crude as it is" — simplifies landscape and figures into a kind of grotesquerie. "Coffee Agricultural Worker" (1934) is a giant with oversized feet and hands, statuesque in a stark ochre-black landscape, "Migrants" (1944) a frieze of macabre skeletal figures circled by vultures.

Flávio de Carvalho painted "Our Lady of Desire" (1955), a fashionista in striped blouse and pleated skirt deconstructed into multihued abstract shapes; then, decked in a similar costume he called "New Look", he paraded through São Paulo for his bizarre performance "Experiência N 3". A photograph shows this protest at gendered and colonial norms of European attire. Carvalho is the show's anarchist; his biomorphic forms twisted into animal-human figures dotted with large piercing eyes — "Ancestral Portrait", "Christ's Final Ascension" (both 1932) — are as gloriously weird as Miró's and Dalí's inventions.

Not for nearly a decade — since *Painting the Modern Garden* in 2016 — have Burlington House's sumptuous main galleries looked as resplendent and eye-popping as now. Although quality of work varies — Djanira's formulaic folk pictures are the low point — a strong theatrical design of yellow, pink or azure walls, big funky geometric-shaped seats, and deco graphics helps disparate strands cohere. As in the garden show, the broad optimistic theme is growth and renewal, and the power of cultural roots.

The abstract artists especially look far back. Vicente do Rego Monteiro's "Indigenous Composition" (1922) imitates designs from precolonial Marajoara ceramics. Rubem Valentim transforms symbols of Afro-Brazilian

> 'I am a son of the red earth. I decided to paint the Brazilian reality, naked and crude as it is'

Candomblé deities into the language of geometric abstraction in his monumental totem series "Emblems" and "Emblematic Objects".

The show ends with Geraldo de Barros's shimmering photographic abstractions: his "Fotoforma" series (1946-51) uses multiple exposures, rotated images, beautiful arabesques — "Abstraction (São Paulo)" (1949), "Untitled, Pampulha, Belo Horizonte" (1951), an abstraction of an Oscar Niemeyer project — to chronicle Brazil's exponential urbanisation. Barros is the link to Brazil's future — Lygia Clark and Hélio Oiticica's *arte concreto*, beyond the scope here — although still the human element leaps out in his work. Reminiscent of Klee's visages, "Homenagem a Paul Klee" (1949) is a face formed by over-painting the holes, abrasions and scores on a negative depicting an old cemetery wall.

Brasil! Brasil! arrives in London from Bern's Zentrum Paul Klee, and also commemorates the RA's 1944 *Exhibition of Modern Brazilian Paintings*, a wartime diplomatic venture that sparked little curiosity. Brazilian modernism remains unfamiliar, although that is changing: this show rides a wave of recent global interest, kick-started by MoMA's 2018 Tarsila retrospective, and consolidated by Adriano Pedrosa's excellent display at last year's Venice Biennale.

The movement's themes of hybridity and metamorphosis appeal today, as do its powerful female artists. Women have rarely pioneered art revolutions, but Malfatti's and particularly Tarsila's leading roles are incontrovertible — Tarsila's surreal figure "Abaporu" (1928, "man who eats human flesh" in Tupi; not in the show) sparked Andrade's landmark "Cannibal Manifesto". Tarsila's current touring exhibition (Paris then Bilbao) deprives the RA of key works, but still her visionary paintings sing and surprise, like so much in this joyous exhibition.

To April 21, royalacademy.org.uk



Clockwise from main: Tarsila do Amaral's 'Favela Hill' (1924); Flávio de Carvalho's 'Our Lady of Desire' (1955); Lasar Segall's 'Banana Plantation' (1927); Candido Portinari's 'Migrants' (1944) — Collection of Heródita and Sérgio Fadel/Jaime Acioli. Collection of the Pinacoteca do Estado de São Paulo/Isabella Matheus, Fernando Stuani/MAB FAAP/Pedro Campos/Elizabeth Kajiya/Marcia Ramos

Why the right loves a little classicism

Architecture | Trump wants to make buildings 'beautiful' again. There's just one problem, writes *Edwin Heathcote*

Among the avalanche of executive actions that spilled forth after Donald Trump's second inauguration as US president was the return of an idea he'd tried in December 2020 (though it barely lasted a couple of months, and did not lead to any buildings): a memorandum titled "Promoting Beautiful Federal Architecture".

For "beautiful" read "classical". But for "classical" read what, exactly? Is the US government really going to go all Beaux-Arts? With sculpted friezes and domes, mosaics and Corinthian columns? It's not cheap, this stuff.

The right loves a little classicism. It always has. It stands in their minds for class, conservatism and drawing a line back to the ancient world. That the Capitol and the White House were built in part by enslaved labour and that Hitler and Mussolini loved a classical column once tainted any hints of classical revivalism. Now that the US government is determined to abandon any hints of "wokeness", we needn't really worry about that any more.

Trump's taste is also a reflection of a much larger trend of what we might call rightwing revivalism. In Budapest, Viktor Orbán is rebuilding the old castle district to its Habsburg pomp, so that it is becoming difficult to tell what is old and what is new. The Alternative for Germany (AfD) party has been Bauhaus-bashing, suggesting modernism "displaced local architectural traditions". And social media is flooded with memes of classical buildings and white marble sculptures as ciphers for the "purity" and supposed superiority of western culture.

Such rhetoric is cultural dog-whistling. As Oscar-tipped film *The Brutalist* — the story of a postwar Hungarian-Jewish émigré architect — points out with such clarity, much of the distaste for modernism is a not-so-veiled attack on its many Jewish and often communist theorists, protagonists and patrons. Modernism is still seen by the right as somehow alien.

Yet America became the home of modernism, where it achieved its apotheosis. Midtown Manhattan, downtown Chicago or the mid-century houses of southern California are arguably the zenith of modernism, albeit stripped of its early ideology (when the concerns of its often left-leaning architects tended towards social housing). The world went modern not because of the Bauhaus but because US big business adopted and embraced modernism so completely and so seductively.

And that success included, of course, one Donald Trump. The president, who made his name in real estate, was an enthusiastic erector of generic high-rises. You will find no classical porticoes, no sculpted friezes on Trump's towers. They are all resolutely late-modern, unadorned, shiny extrusions of steel and glass. At least, on the outside.

In his brilliantly waspish book, *From Bauhaus to Our House* (1981), Tom Wolfe wrote: "Every great law firm in New York moves without a sputter of protest into a glass-box office building . . . and then hires a decorator and gives him a budget of hundreds of thousands of dollars to turn these mean cubes and grids into a horizontal fantasy of a Restoration townhouse." He might have been writing about Trump, whose own taste in interiors veers towards Versailles. There is this strange disconnect between the predilection for classicism and the gaudy golds and mirrors of dictator-kitsch, and the practicalities of modern construction, geared towards repetitive floor plates and curtain walls.



Trump made his name in real estate, erecting generic towers Bettmann Archive

The right's position is that federal buildings should inspire awe. In fairness, it might be time to introduce a little nuance here. Neo-classicism and the Francophile Beaux-Arts style were the language of government architecture, from Antebellum to the early 1950s. Much of the biggest and best classically inflected architecture dates to the New Deal 1930s, when Franklin D Roosevelt used the construction of vast new government buildings as an employment and training programme. And a great deal of it is nearly indistinguishable from what the fascists were doing across the Atlantic, even down to the imperial eagles and the friezes of heroic workers.

But Trump is not Roosevelt. His is a small-government public realm. What, exactly, is the government proposing to build? Probably data centres to support its $100bn AI programme. Will these be dressed as classical temples?

Certainly you can still build in a classical style. But it is expensive, time-consuming and difficult. And it often arrives with the weird assumption that to be traditional, classical or not-modern is enough to make it beautiful. It is not. There are plenty of bad neoclassical buildings just as there are bad modernist buildings.

Classicism represents permanence — and Trump's garish schtick yearns for something more substantive. But dressing up as Ancient Greece in the age of Trump looks like cosplay.

Iran's censor-defying filmmakers

Cinema | As a director facing jail is Oscar-nominated, he and others tell *Nick Hasted* why they have a duty to join the youth protest movement





Mohammad Rasoulof had crossed the Iranian border on foot into exile before the authorities in Tehran got wind of his covertly shot new film *The Seed of the Sacred Fig*.

In this domestic conspiracy thriller, which was nominated for an Oscar last week, a newly appointed judge rubber-stamps state executions in response to the 2022 protests sparked by the fatal beating of 22-year-old student Mahsa Amini by morality police. (The authorities claimed she died of a heart attack while in custody.) The judge's suspicions about his own daughters' activities provokes him to employ oppressive interrogation tactics in the family home. Meanwhile, Rasoulof weaves in phone-shot footage of the protests and police brutality posted online.

Even before this latest act of resistance, the Cannes-prizewinning Iranian director was facing eight years in jail and a flogging for criticising previous government violence and for the content of films such as *Manuscripts Don't Burn* (2013) and *A Man of Integrity* (2017). He had already served seven months in jail from 2022 to 2023 and been under a travel ban since 2017 after being accused of "spreading propaganda against the Islamic government" in his work and "endangering national security".

His new film's explicit critique of the regime feels like a decisive break with Iran, as if the young protesters' boundless courage has further emboldened an already outspoken filmmaker. "The new generation does make me more courageous," he tells me from Germany, where he is now based. "But the main aim was to keep working. I left Iran because I had to make this very cut-and-dried choice of going to prison for at least eight years, or to use these years I have left to live to make more films."

Rasoulof joins a growing wave of fine Iranian filmmakers inspired to defy state censorship only to be forced into exile or seclusion. Iran's cinema seems rejuvenated by their honesty, even as its leading lights are punished. The psychological price of leaving was dramatised by Jafar Panahi in *No Bears* (2022), shot illicitly while the director was under a travel and filmmaking ban. Playing a version of himself remotely monitoring a shoot in Turkey from Iran, Panahi at one point finds himself standing on the border and flinches back to home turf as if burnt.

Even last year's gentle art-house hit *My Favourite Cake* drew the ire of authorities. The portrayal of an alcohol-drinking, dancing, privately hijab-free septuagenarian heroine doomed the film's co-directors (and spouses) Maryam Moghaddam and Behtash Sanaeeha to a filmmaking and travel ban.

"For the first time since the [1979] revolution we wanted to make a real version of life in Iran," Moghaddam tells me from Tehran. "People have parties and drink alcohol at home, but outside we have to be the person [the authorities] want. This contrast is making us all crazy, because we can't be ourselves. This is why we decided not to lie in this film, and to cross those red lines. These last three years [since Amini's killing] have changed a lot here." Remaining in Iran, even in internal exile, is therefore essential to them both. "The young generation has started a movement, and it's our duty to be part of it."

For the moment, this condemns them to dreaming of films they can't make. "Every day and every moment," Sanaeeha sighs. "For our next scripts, we're now doing the *mises en scène*, and thinking about the set decoration, the clothes and everything."

> 'I'm absolutely certain that I shall return to Iran. If it means I go to prison, I will accept it'

The Islamic Republic's most successful directors, Asghar Farhadi and the late Abbas Kiarostami, have made cinema inside its red lines. The two-time Oscar-winning Farhadi focuses on novelistic studies weighing characters in a moral balance beyond politics, though he has angrily rejected accusations of a complicitous easy ride. "Art is such a wide world and we all have very different approaches," Rasoulof says, diplomatically. "We also have very different relationships with power. But I don't think there are any guidelines about how to make good art inside a regime."

Others opting to remain within the system work under a sword of Damocles. Saeed Roustaee's pummelling, pungent police thriller *Law of Tehran* (2019), a domestic smash-hit, ends in a bleak, state-conducted mass hanging. The social critique of his follow-up *Leila's Brothers* (2022) resulted in a prison sentence, but he is now working again. "It shows that the system is not monolithic, and sometimes contradictory and inefficient," Rasoulof says. "At times it lets people let a bit of steam off to preserve itself in the longer run."

The public and private double life explored in *My Favourite Cake* is central to Farahnaz Sharifi's documentary *My Stolen Planet*. It combines Sharifi's footage of hijab-free home dancing with painstakingly assembled archive footage of 1970s home movies of Iranian girls in western casual wear. History unfolds as Sharifi and her female documentarist friends film protests, and a passing goon suddenly smashes a camera.

"There has always been an unofficial flow in Iranian cinema of especially women documentary filmmakers," Sharifi tells me. "Recording images of private lives is an unofficial history for future generations." Sharifi was in Germany when her home was raided and her precious archive destroyed, confirming for her the "nightmare" of exile. In her film she is nostalgic for a pre-revolutionary Iran that she has seen only in scratched home movies.

A season this month at London's Barbican, *Masterpieces of the Iranian New Wave*, shows the country's rich cinema culture under the Shah. Ebrahim Golestan's *Brick and Mirror* (1964) includes a long night-time scene in which a young woman and man eventually make love in his flat with a sense of precious private freedom still recognisable in the Iran of today. Mohammad Reza Aslani's *Chess of the Wind* (1976) follows a decadent family in decline while living in a mansion oppressively submerged in sea green shadow like an abandoned ocean liner, foreshadowing the Shah's fall.

Most of the season's films have been banned in Iran since 1979. What happened next may give pause to today's exiles, says season curator Ehsan Khoshbakht. "The generation mostly moved abroad, and most of them never managed to work again," he explains. "Those who did, lived extremely hard lives and could only make very small films."

Khoshbakht is a London-based exile himself, whose documentaries include *Celluloid Underground* (2023), in which he scours Tehran for banned pre-revolutionary reels. "I don't see myself as an exiled filmmaker," he says, "because I could only have made those films with this distance from Iran. The question of what you feel is urgent to film changes when you are inside or outside. The fact that there are so many Iranian filmmakers in exile is very sad, because you know about those who've been successful. I know God knows how many who are struggling."

Rasoulof doesn't fear exile diminishing Iranian cinema now. "With the internet, even from outside Iran you have access to Iran, and for all these filmmakers working inside and outside, I see a luminous future. Once I've done the films I need to make [in Europe], I'm absolutely certain that I shall return," he concludes. "If it means I go to prison, I will accept it. I've paid those consequences before."

'The Seed of the Sacred Fig' is in UK cinemas from February 7. 'My Favourite Cake' is on Curzon Home Cinema. 'My Stolen Planet' is showing at Bertha DocHouse, London. 'Masterpieces of the Iranian New Wave' is at the Barbican, London, February 4-25, barbican.org.uk

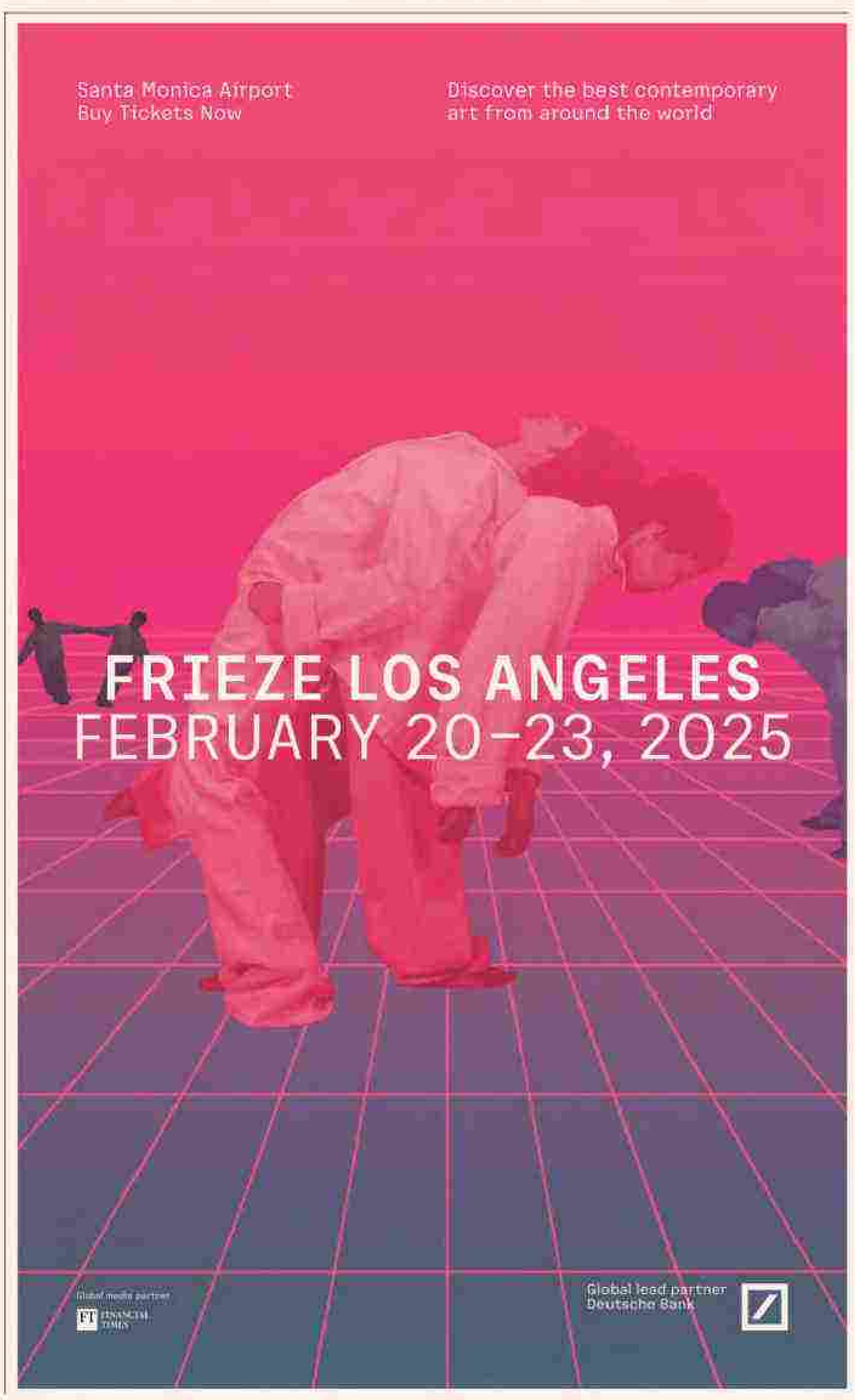






Clockwise from main picture: Setareh Maleki in Mohammad Rasoulof's 'The Seed of the Sacred Fig'; Mahsa Rostami in another scene from the film; protests in Tehran in 2022 following the death in police custody of 22-year-old Mahsa Amini — AP

From top: Ebrahim Golestan's 'Brick and Mirror' (1964) and 2024's gentle art-house hit 'My Favourite Cake'



Three's a crowd . . . or is it?

Mike Bartlett | With his new play about a 'throuple', the playwright is again tackling taboos, writes *Sarah Hemming*





Two's company, three's a crowd. So the saying goes, and it's often a rule of thumb in drama, where even the hint of a third person can have drastic consequences for relationships. Think of Shakespeare's *Othello*, Harold Pinter's *Betrayal* — or pretty much any bedroom farce you care to name. Jealousy, pain and shame fuel the action, be it tragic or comic.

So what if a couple actually chooses to expand? That's the starting point for Mike Bartlett's new play *Unicorn*. After 20 years of marriage, Polly and Nick decide to experiment with becoming a "throuple", inviting a younger woman called Kate to join them.

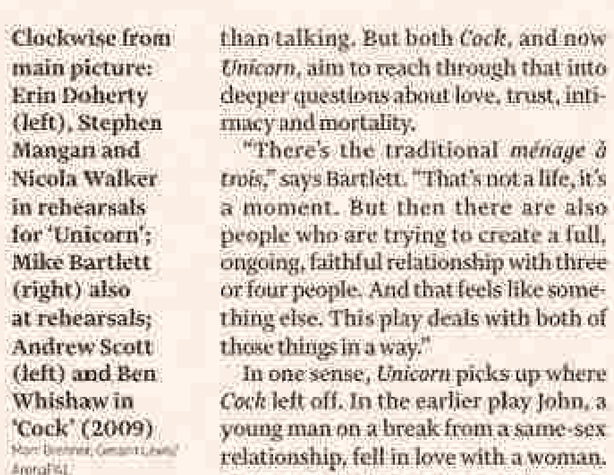
The fact that the couple are played by Nicola Walker and Stephen Mangan, who so memorably scoped out all the anguish of infidelity in Abi Morgan's TV series *The Split*, only adds to the frisson. Here the two actors (joined by Erin Doherty as Kate) will be discussing fantasies, feelings and fears in the family kitchen.

"You suddenly realise how much shame we all carry about sex and relationships," Bartlett, 44, tells me when we meet during a break in rehearsals. "And how we don't talk about it. So one of the things in the play is finding the words to talk about this stuff — and a theatre full of people seems like the right place to have a go at that."

Unicorn opens in London's West End just before Valentine's Day — making it an interesting first date for those who feel bold enough. And Bartlett has form with candour. Anyone who saw the premiere of his play *Cock* in 2009, which was similarly frank about sex, love and relationships, will remember the intensity of that experience. At one point a couple talked their way so precisely through a sex scene that they raised the temperature in the theatre without removing a single stitch of clothing.

The mischievous title of that play made a point. It was near-impossible to talk about it without wandering into smutty double entendres. When it comes to sex, the playwright suggested, we are often more comfortable giggling than talking. But both *Cock*, and now *Unicorn*, aim to reach through that into deeper questions about love, trust, intimacy and mortality.





Clockwise from main picture: Erin Doherty (left), Stephen Mangan and Nicola Walker in rehearsals for 'Unicorn'; Mike Bartlett (right) also at rehearsals; Andrew Scott (left) and Ben Whishaw in 'Cock' (2009)
Mark Douet, Getty (Lively/Arena PR)

"There's the traditional *ménage à trois*," says Bartlett. "That's not a life, it's a moment. But then there are also people who are trying to create a full, ongoing, faithful relationship with three or four people. And that feels like something else. This play deals with both of those things in a way."

In one sense, *Unicorn* picks up where *Cock* left off. In the earlier play John, a young man on a break from a same-sex relationship, fell in love with a woman. In its articulation onstage of the complexity and fluidity of sexuality and identity, it felt daring in 2009. But John's real dilemma was being forced to choose between two people. In *Cock* that leads to a great deal of heartache. In *Unicorn* the questions are differently framed.

"It extends into whether it is possible to have an intimate, loving, faithful relationship with more than one person at the same time," says Bartlett. "Can you have intimacy in a triangle? What would that look like? What stories could you tell?"

Polly and Nick's story, he says — neatly sidestepping any question about research — is not so much based in personal experience as personal knowledge: "When I have a character who is of a different identity to me expressing a specific experience that's important, what I try to do is make sure that expression comes from someone who has said that: that I've absolutely heard it, and I respect it, and I don't mess with that."

"You need, as an artist, to have freedom to play," he adds. "At the same time, you have big responsibilities to be truthful. [The stage] should be the ideal place to explore this stuff. These are fictional people, but we can put them through the mill to vicariously explore stuff about ourselves."

Bartlett is himself an intriguing individual. Quiet and courteous, he has the air of a thoughtful professor picking his way across the minefield of a tricky seminar. Yet his work is often strikingly audacious and "putting characters through the mill" is something at which he excels. His hit 2015 BBC TV drama *Doctor Foster*, about a GP's life falling apart, demonstrated a Jacobean relish for psychological chaos, and onstage he strides into tricky territory with verve, precision and the ability to shape-shift with the subject.

What first put him on the map were his short, sharp splinters of plays training the spotlight on a tight group of people — works such as *Cock*, or *Bull* (about office bullying) and *Game* (which shockingly combined video-game principles with the desperation of the housing market). Brilliant and blisteringly funny, they were also bracingly honest about how badly human beings can behave when in emotional pain.

Then came more expansive dramas on huge themes. *Albion* (2017), a Chekhovian piece set in an Oxfordshire country garden, explored British identity. The scintillating Shakespearean epic *King Charles III* (2014), which Bartlett described as a "future history play", depicted Charles's accession and a constitutional crisis when the new monarch stands on principle. *The 47th* (2022) imagined the lead-up to a second Trump presidency. Both examined power — perceived, actual, shifting — and both were written in blank verse.

What was fiction a few years ago has now come to pass. So how does the reality compare? "I was right about some things and some things didn't happen," says Bartlett, grinning. "Really *The 47th* was about whether the Democrats had an answer to Trump. In the play it was pretty clear that they didn't — and it turned out they didn't . . . You have to understand why, when he speaks, people listen.

"With *King Charles III* and *Albion*, it was trying to look at what we want Britain to be. We could really do with a great big public conversation about Britain."

Splitting his time across screen and stage, Bartlett values the way television can shift mainstream attitudes: "People get to know an individual character who they love and who is different from them: that's a real power."

But even so, viewers can switch off, switch over or walk away. For him, it is theatre that can offer a potent response to today's world and where the work can be boldest, whether personal or political. He quotes the writer and academic Bert O States's description of theatre as "great reckonings in little rooms".

"I feel that if theatre didn't exist right now, we would invent it as this radical new form because we need it," he says. "[In the theatre] we focus, we do one thing, we imagine people who aren't real, so no one's going to get hurt, and then we explore stuff which is nuanced, complicated, difficult and not binary.

"It's shared and no one can switch it off. You are in and you're going to have to deal with it. If you said, 'What's a great antidote to all the problems we have on social media and in public discourse?', theatre would be it."

Unicorn, Garrick Theatre, London, February 4-April 25, unicorntheplay.co.uk

Review

OPERA

Aida
Royal Opera House
★★★★☆

The issue of cultural appropriation remains a hot topic in opera. Is it still PC to have Puccini's *Madama Butterfly* set in Japan or his *Turandot* in China? And what is to be done with Verdi's *Aida*, a celebrated depiction of the Egypt of the pharaohs?

So long as it is unclear how strongly these concerns will persist, opera companies are hedging their bets. The Metropolitan Opera's new production of *Aida* remains a thoroughly traditional show beyond some surface novelties, whereas the Royal Opera's 2022 production dispenses with Egypt altogether.

Reimagining the drama in contemporary terms, director Robert Carsen has transported the action to an unidentified totalitarian regime. Think North Korea or a post-Soviet satellite state. Here is the grim reality that we associate with communism, barely a flash of colour, not a ray of hope. The love triangle of warrior, Egyptian princess and Ethiopian slave still makes sense in a society where the ruling regime has the power to decide who lives, who loves and who dies. Verdi's triumph scene becomes a May Day military parade, Radames's trial is a court martial. The lovers sing their closing duet imprisoned in a missile silo.

How much better it all seems to work on a second viewing. Being forewarned about its overwhelming greyness is obviously a help. Like all Carsen's productions, his *Aida* is an intelligent response to the drama, bringing home the opera's powerful condemnation of war and the suffocating of individual freedom. It is just a shame that his scenario allows no place for the parallel theme of church versus state, which was so important to Verdi (see also his previous opera, *Don Carlos*).



George Andguladze plays the King of Egypt and Rachann Bryce-Davis is Amneris in The Royal Opera's performance of 'Aida' — Marc Brenner

For this revival the Royal Opera has fielded an effective team, rather than outstanding voices. Anna Pirozzi has shown her mettle in various roles at the Royal Opera recently, including Turandot, and her Aida is sung in native Italian style with a judicious balance of power and musicality. Her melting plea to the King at the climax of the triumph scene touched the heart.

Her nemesis, Amneris, here the dictator's entitled daughter, is sung and played to the hilt by Rachann Bryce-Davis. There have been larger voices in the role here, and she is stronger in her biting chest register than the comparatively thin top notes, but few have chewed the scenery more voraciously. Her parting scene as the princess scorned was hair-raising.

For this performance Jorge de León stepped in as Radames, a warrior hero trumpeting his top notes, though elsewhere the voice is uneven in quality, sometimes with a curdling vibrato. Amartüvshin Enkhbat makes a proudly powerful Amonasro, vocally dominating the scenes he is in.

Alexander Köpeczi is an authoritative, sonorous Ramfis, George Andguladze a warm-voiced King. The chorus again made a big impression, especially in the quietest moments, their prayers at the anointing of Ramfis being mesmerising (though not sadly enough to stop a barrage of audience coughing).

The Royal Opera orchestra plays well for Daniel Oren, who conducts a performance in which every phrase has been considered afresh. Although the music sometimes feels pulled out of shape, there is tenderness and vigour here to stir the soul. Nothing in this *Aida*, visually or musically, is run-of-the-mill.

Richard Fairman

To February 12, rbo.org.uk



Critics' choice

Life&Arts

Television Dan Einav and Rebecca Nicholson

Miss Austen
Sunday, BBC1, 9.05pm
★★★★☆

Despite the vast industry that has grown to surround Jane Austen — endless film and TV adaptations, "Jane Austoe" socks in museum gift shops — we still know remarkably little about the author's personal life. This is partly due to the destruction of her letters, burnt by her presumably protective sister Cassandra decades after her death in 1817. *Miss Austen* is an elegant four-part BBC adaptation of Gill Hornby's 2020 bestseller and, like the novel, it sets out to discover what these letters could have contained — and what caused Cassandra to throw them into the fire.

Keeley Hawes stars as Cassandra, although at 48 she is notably younger than the heroine, who was 70 and close to death when she destroyed much of Jane's correspondence. Hawes brings on-brand warmth and depth to a woman sidelined by both her sister's literary achievements and her own role in obfuscating the Jane Austen story. Here she is the Miss Austen of note, for once, and her own loves and losses take the limelight.

Or at least they do, briefly, before she is upstaged by her sister. The revelation here is Patsy Ferran, who plays Jane in flashbacks to the sisters' younger years. Ferran captures a Jane who is awkward and acidic. It works brilliantly. Far from the romantic of popular imagination, she is loving, loyal but cruel. In imagined letters, Jane exaggerates stories, offers tart comments on family affairs, and is irritated by happiness as well as the drag of Cassandra's grief. Cassandra's pain at her sister's version of events is palpable, and the complexity of this Jane is refreshing.

This makes for a more melancholy drama than expected, at least in the first episode. Not since *Wolf Hall* has a series been so candlelit. It needs more time to unravel the knotty Austen family tree but it is carried by its big heart and an outstanding ensemble cast. Jessica Hynes is a scene-stealer as sister-in-law Mary, whose dogged obedience to the status quo comes out in waspish asides.

Eventually, *Miss Austen* blows out the candles and blossoms into a confident story about female autonomy, with a splash of period romance. The Jane portrayed here would, no doubt, approve. **RN**



Upstaged: Keeley Hawes stars as Cassandra Austen



Brian and Maggie
On All 4/Channel 4 on demand now
★★★☆☆

Two days after the shock resignation of her chancellor Nigel Lawson in October 1989, Margaret Thatcher sat down for what she thought would be a straightforward TV interview. The man opposite her, Brian Walden, was a public admirer of the prime minister and a friend. But when the camera started rolling, the beleaguered leader found herself facing a tenacious interrogator rather than a sympathetic ally. Not for the first time that week, she felt betrayed.

A parable about the perils of mixing personal and political life, the interview is the subject of *Brian and Maggie*, a new two-part Channel 4 drama by the playwright James Graham. Starring Steve Coogan and Harriet Walter in the title roles, it chronicles Walden and Thatcher's evolving relationship during her premiership before culminating in a partial re-enactment of that exposing 45-minute conversation. As the colloquial title suggests, the show is much less interested in Thatcherism than "Maggie", the woman. A decade whizzes by in news-clip montages of the miners' strikes, the poll tax, the Falklands. The focus instead is on quiet evenings at No 10, where the PM and Walden share a whisky, bonding over their rises from humble roots. "You never do shake it off, that feeling of being an outsider," she confesses.

Head to head: Steve Coogan as Brian Walden and Harriet Walter as Margaret Thatcher

While the series stops short of eliciting affection for Thatcher, it does humanise a divisive figure, partly by showing her own faltering attempts to be more approachable. In one scene, we see her call Walden from bed to stumble her way through a half-remembered joke in an attempt to prove to him (and herself) that she "likes fun". Later, she wonders whether she has shed too much of her formidable facade.

That tension between forging connections and maintaining boundaries also runs through Walden's story. A former Labour MP, he is forced to set aside the politician's desire to be liked to become a journalist unafraid to ask uncomfortable questions. But we're also shown his ability to empathise and understand Thatcher in a way that few in the press could. It's only later, before the last interview, that we see him consider whether their friendship might have blinded him to her faults.

Walter and Coogan go beyond impersonation to draw out deeper, emotional interpretations. But while the interview is faithfully recreated, the rest of the show is a little stilted and overwritten, with too many instances of characters thinking aloud. Its stagy feel leaves you wondering whether it might have been more impactful as a play.

Then again, the screen is a fitting medium for a drama partly about the power of TV to transmit truths, stimulate discourse and pierce an Iron Lady's armour. Thatcher resigned a year after the broadcast. She and Walden never spoke again. **DE**

Mo season 2
On Netflix now
★★★★☆

The last time we saw Mo Najjar, he was stuck in Mexico, unwittingly having been driven across the Texas border by an olive-tree-thieving cartel. A Palestinian refugee without asylum status in the US, he has no way of legally re-entering the country that he and his family have called home for 30 years.

The good news is that it is 2022. He may still be stranded, but "President Trump to seal off the southern border to asylum seekers" would sound more like an outlandish claim than an accurate headline.

That isn't to say Mo's journey back to Houston is a walk in the park. In fact, it involves a perilous river crossing which leads him straight into the sights of rifle-wielding border vigilantes. A stint in an ICE detention centre and a hearing in a Texas court follow. His lawyer tells him to "trust the process". But the process here is a form of bureaucratic sadism that would make Kafka break out in a cold sweat.

Released in 2022, the first series of *Mo* was an offbeat character comedy, built around star and creator Mo Amer's own experiences as a refugee and a loving send-up of Palestinian culture. The sequel is more politically charged. The first new episodes show how asylum seekers are dehumanised and are timelier than Amer might have anticipated.

Mo finds laughs where tears would be expected. A holding cell becomes the scene of an enjoyable stand-off with an embittered guard. Elsewhere Mo's shock at being propositioned by a US diplomat and his wife is eclipsed by a segue into one of the few subjects more uncomfortable than a cuckolding fetish: Israel-Palestine.

Mo laments how elusive a sense of home can be. But the show also celebrates family and heritage and revels in the cultural juxtapositions found in America. The moving finale follows Mo and his family on their first visit to Palestine in decades. Warmly welcomed by relatives, the Najjars are treated like interlopers by soldiers at Tel Aviv airport and by Jewish settlers in the West Bank. The devastation to come is only hinted at by a brief but wrenching shot of a screen bearing the date: October 6, 2023. **DE**



Mo problems: Mo Amer stars as a Palestinian refugee trying to re-enter the US from Mexico

Radio

On March 4 1973, two British sailors abandoned their sinking yacht after colliding with a whale in the Pacific Ocean. It would take until June 30, 117 days later, for their tiny rubber life raft to be spotted. Against all odds, they survived and, remarkably, so did their marriage. **Maurice and Maralyn** (Monday-Friday, Radio 4, 11:45am) — a five-part serialisation of Sophie Elmhirst's acclaimed narrative nonfiction — is both a tale of endurance and a touching portrait of being alone, together. The first episode takes us back a decade earlier to when shy yet adventurous Maurice met a young woman, Maralyn, seeking to escape the drudgery of her home. Married within a year, they soon decided to swap life in suburbia for one on the high seas. An intimate and engrossing story based on Maurice and Maralyn Bailey's accounts, it is enriched with novelistic detail and colour. ★★★★☆



Castaways: Maurice and Maralyn Bailey in 1974 —Getty

The Romans did not worry about risk; for them, fate was delivered by the gods, not by human action. It was not until the 17th century that a theory of probability devised by the French mathematician Blaise Pascal gave people the tools to map out the future. So we learn in **At Your Own Peril** (Monday-Friday, Radio 4, 1:45pm), a five-part history of how shifting attitudes towards risk have shaped the world. Presented by Lucy Easthope — an expert in disaster planning — the show moves from ancient times to a discussion of how present-day threats such as AI and nuclear powers are being assessed. While there's comfort in knowing that there are people preparing for the worst, the series also considers how we can cultivate resilience during uncertainty. ★★★★☆ **DE**

Pop Ludovic Hunter-Tilney



Central Cee
Can't Rush Greatness
CC4L/Columbia
★★★☆☆

Britain is the second-largest exporter of music after the US. But one of its most vibrant genres, UK rap, has a comparatively low profile abroad. No rapper has come close to matching the international success of the Sheerans and Dua Lipas of UK pop. Stormzy, for instance, is a big name in his homeland, but his chart success has been modest overseas and non-existent in the US.

Can Central Cee make the breakthrough? The west Londoner — Shepherd's Bush, to be precise — became the first UK rapper to be streamed annually over 1bn times on Spotify in 2022. That was when he released one of his biggest hits, "Doja". It is famous, or infamous, for Cee's catchily phrased but logically questionable claim that he can't be homophobic because his girlfriend is bisexual (I paraphrase).

"Sprinter" was an even bigger hit, a 2023 collaboration with fellow UK rapper Dave named after a type of van. This roomy vehicle, we are told by the two leads, is required in order to transport their numerous female admirers. Topping the UK singles chart for 10 weeks, it is the most streamed UK rap song on Spotify ever.

Both hits have a particularly British flavour. Their wealth worship and sexism are closer in spirit to crude laddish banter than the dog-eat-dog one-upmanship of US rap. The musical style is a softened version of UK drill, a sub-genre that originated in Chicago but found a home in London.

Drill has proved the most exportable of Britain's rap variants, with even a foothold in the US. But it has kept its outsider status. A culture of violence has impeded its commercial development — with the exception of Central Cee.

The rapper (real name Oakley Caesar-Su) has managed to shift drill's sound and imagery into pop-rap. *Can't Rush Greatness* is his debut studio album. It opens with "No Introduction", in which Cee boasts about his international reach, rhyming "Sweden" with "Indonesian".



Charismatic: Central Cee's debut studio album is a portrait of the British rapper as a simultaneous superstar and underdog

He also complains that "girls still ask what my name is" even though they recognise him. This doesn't really make sense. But it illustrates the album's portrait of its maker as a superstar who is also an underdog.

Like the Union Jack bandanna that Cee sports on the cover, *Can't Rush Greatness* has a strong Team GB aspect. "Ten" is a lively grime throwback with Skepta, one of the most significant MCs to take British hip-hop into the charts. But the album is also designed to crack the previously impervious US market.

Whereas Cee's 2022 mixtape *23* had a posse-cut song called "Eurovision" featuring rappers from throughout Europe, this time the guests are predominantly transatlantic. "GBP" is a double act with London-born, Atlanta-raised rap star 21 Savage. Like Forex traders, he and Cee talk about GBP and USD. For once, pound sterling holds its own against the mighty dollar: Cee and 21 Savage are treated as equals.

Puerto Rican singer-rapper Young Miko turns up on "Gata", performing in Spanish. Meanwhile, Cee raps about reclining in a Maybach luxury car, a status symbol in US rap. But he also jokes about saving money by not ordering an Uber for his female companion as she lives in far-flung Croydon, a byword for prosaic London life. The juxtaposition provides a comical jolt, as if the Maybach were going over a speed bump in a 20mph residential zone.

Musically, the song synthesises Young Miko's reggaeton vocal with the staccato bassline of UK drill. It is a neatly executed example of glocalisation, placing a specific locale in a global context. "Top Freestyle" brings out the social dimension of the same contrast. Cee raps about being in a "trap" house where the drug trade is conducted just before receiving an invitation to a starry July fourth party in the Hamptons.

He also makes a sharp (albeit perspectively muddled) observation about music industry amorality: "Label execs don't care if we're murderers long as your catalogue's bringing in revenue."

The shift from "we" to "your" discloses an artfully vague position towards drill's association with crime. "Band4band", with US rapper Lil Baby, echoes the sound of a bloodthirsty drill anthem, SR's memorably chilling "Welcome to Brixton". But although Cee raps about previously selling drugs and warns that "guns will shoot" if he gets challenged, his verses are not at all bloodthirsty. In his usage, the initial "M" — a shorthand for "murder" in road rap and drill — denotes "millions" of pounds.

Cee's mild flirtation with outlawry marks him out as a contemporary version of an archetypal figure, stretching back in pop to Elvis Presley — the photogenic bad boy. A charismatic presence at the microphone, with a lilting London accent, he ranks as phonogenic too. But limitations emerge.

Although he varies pace effectively, his verbal flow gets repetitive. The musical content lacks the spark of "Doja" or "Sprinter" and the rags-to-riches reiterations acquire a cut-and-paste feel. His album is carefully engineered to maximise his profile, but its storytelling runs out of steam. *Can't Rush Greatness* will prove more notable for the moment it represents in the burgeoning history of UK rap than its own lasting qualities.

Critics' choice

Films on release Danny Leigh & Stephanie Bunbury

Hard Truths
Mike Leigh
97 mins (12A) ★★★★☆

Welcome back to Mike Leigh Land. (Start a long way from Hollywood, and keep walking.) As so often with his previous films, the veteran British director's latest, *Hard Truths*, is an acid slice-of-life set behind seemingly ordinary front doors. Of course, his movies actually boast much variation on many themes, not least in the fine period pieces *Topsy-Turvy* and *Mr Turner*. Still, there is also an essential Leigh, to which even the title *Hard Truths* seems to give a doleful wink. From the man who in 1971 brought you *Bleak Moments* — you ain't seen nothing yet!

On brand too is the wider backdrop of suburban London. Here we find our heroine Pansy, played with depth and precision by Marianne Jean-Baptiste. Her spotless home is the character all over: pristine but joyless, painfully neat, four walls to be driven up. Daily life is endured with a scowl. For Pansy, nothing makes so little sense as other people.

Errand-running becomes a reign of terror through supermarkets and doctors' surgeries. "Are you OK?" the GP asks. "No, I'm at the doctor's," Pansy fumes, aghast.

Like a lot of Leigh films, *Hard Truths* feels like a comedy before revealing itself as not quite so simple. Pansy is beset by muscle aches and migraines.



Transfixing close-up: Bafta-nominated Marianne Jean-Baptiste as Pansy in Mike Leigh's new film 'Hard Truths'
Landmark Media (Ben)

But they are all, we sense, bound up with her anguished psyche, a rolling misery that flattens everything in sight. Plumber husband Curtley (David Webber) and unemployed son Moses (Tuwaine Barrett) have withdrawn into their shells. At a safer distance, Pansy's sister Chantelle (Michele Austin) lives with her young adult daughters (Ani Nelson and Sophia Brown). Their cramped flat is as happy as Pansy's house is not.

Family lunches bring dramatic tension. Showdowns, though, are limited. The Leigh signature remains the world's most awkward silence. And yet there are also differences — even evolutions — between the director's CV and *Hard Truths*. Most obviously, the film is predominantly about Black characters. Back in 1996, Jean-Baptiste was Oscar nominated for her turn in Leigh's *Secrets & Lies*, having played the lost biological daughter of a white mother. Now race takes a subtler role: one part of the characters' worlds among countless others.

That much feels tied up with the director's working methods. Talk to enough British actors, and you may hear wry debate about the exact creative make-up of a Leigh film, in which the cast intensively develop their own characters, the dialogue they produce feeding into the film. We can presumably credit the actors, then, for much of the sense of casual *verité* in a portrait of Black Londoners.

But if the movie is culturally specific, it is no less acute about generally being human. Here again, it wasn't always thus. In the past, you could feel invited to smirk at Leigh's hapless characters. Watching Pansy, mockery would die on your lips — in the best sense. If we knew her in real life, we'd cross the road to avoid her. But *Hard Truths* brings her into transfixing close-up. And though the film wisely refrains from clinical diagnosis, it has an adult understanding of something important: that behind the local eccentric is often a sad tale of frail mental health and fraught personal history.

Call it the sorrow of the ordinary front door, of which *Hard Truths* grows into a graceful study. Credit to Jean-Baptiste and the actors. And to Leigh, for making, at 81, one of the best films of his career. **DL**
In cinemas now

Saturday Night
Jason Reitman
109 mins (15) ★★☆☆☆

Try telling the story of American comedy without mentioning *Saturday Night Live*, and see how far you get. For half a century, the sketch show has been a cultural fixture, with countless cast members ascended to stardom. A pity, then, that the big-screen account of the truth behind it has ended up being *Saturday Night*.

The film has good — or at least flattering — intentions. That may be the problem. It is also, to an almost eerie degree, not funny.

The date is October 11, 1975, the scene the studios of NBC in the 90 minutes before the first episode of a countercultural folly we are often told is sure to end in disaster. Off-screen, this clock has been set ticking by director Jason Reitman, rebooter of the *Ghostbusters* franchise. Here, he mounts a deferential tribute to behind-the-scenes genius, in the form of showrunner Lorne Michaels.

Michaels' Toronto vowels were once said to have inspired Dr Evil in the Austin Powers movies. In *Saturday Night*, he is played by Gabriel



Live wires: Gabriel LaBelle, Kaia Gerber and Cory Michael Smith in TV nostalgia romp 'Saturday Night'

LaBelle, previously cast as the young Steven Spielberg in the director's self-portrait *The Fabelmans*. As per that Spielberg, this version of Michaels is both prodigy and sweet kid from the sticks, puppyishly keen to blow viewers' minds.

Yet for all that he is centre of events, Michaels is thinly sketched. He still makes more impression than the actors cast as Chevy Chase, John Belushi *et al*. TV historians may squint at the pointed framing of the show as a model of backstage feminism, and with only the merest dusting of cocaine.

Seriously, who is this movie for? Nostalgic fans will just find it airbrushed. Everyone else will leave asking how the hell the show survived, not least when the film is stolen by JK Simmons as old-school comic Milton Berle. The character is meant to embody a stale showbiz order being rightly swept aside. Instead he is given sulphurous vim by Simmons, and you come away thinking how much you'd rather watch *that* guy live on Saturday night. **DL**
In cinemas now

Companion
Drew Hancock
97 mins (15) ★★★☆☆

Ingénue of the moment Sophie Thatcher, recently of *Heretic*, stars as a robot designed to provide a girlfriend experience in this tonally jumpy mix of horror, comedy and social commentary. Sex-bot Iris's on-demand subservience — with her inbuilt intelligence dialled down to an unthreatening 40 per cent — echoes that of the 1970s Stepford wives. This time round, however, her role is not so much an observation on the status of women as it is an X-ray exposure of her male owner's dark side. Josh's cute smile masks a roiling storm of male supremacism that Iris is programmed to suit.

We join them on a weekend break at a secluded lakeside lodge, the property of Russian billionaire Sergey (Rupert Friend). The guest list includes his scheming girlfriend Kat (Megan Suri), Josh and Iris and the cuddly Eli (Harvey Guillén), whose boyfriend is the suspiciously perfect Patrick (Lukas Gage). Josh is harbouring a nefarious plan — poorly conceived, of course, coming from his soggy human brain — that involves reprogramming Iris as a controlled weapon. What he doesn't realise is that, like the replicants in *Blade Runner*, she has more emergent feelings than are proper to a robot. Mostly, she wants to be free. With her hitherto erased aggression dialled up to 11, her intelligence restored and a knife in her pocket, Iris starts her rampage towards release.

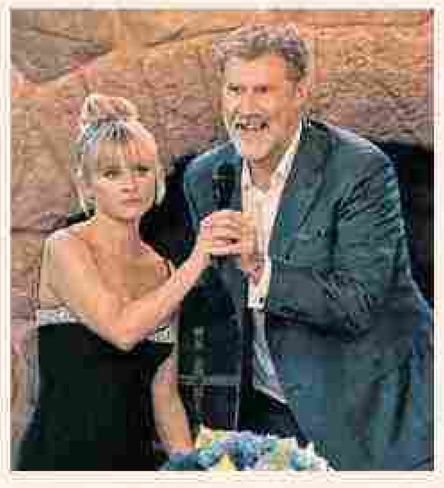
A robot that turns against its puny human controller is hardly a new idea, but the current anxiety around AI obviously gives *Companion* topical punch. Otherwise, it veers between the comic and visceral. The colours are Barbie-bright, right down to the pink title sequence; writer-director Drew Hancock is similarly aiming to give us sexual politics in a popcorn box, but with added stage blood. Thatcher is fine, her tiny frame and bee-stung lips a credible bot template, but Friend's Sergey is more fun: with his mullet, loose satin dressing gown and bachelor's pad, he has a 1970s caddishness that, from the distance of 2025, is a bit of a hoot. **SB**
In cinemas now

You're Cordially Invited
Nicholas Stoller
109 mins (15) ★★★☆☆

The seas may dry up and the mountains fall, but nothing will stop the surge of films about wedding disasters. Somewhere there will always be collapsing cakes, banshee bridesmaids and families split down the middle who need some third-act closure. Writer-director Nicholas Stoller's innovation is to give us a twofer — competing weddings double-booked at a small country-luxe island hotel — plus a new twist on the uninvited guest: a twitchy alligator.

Comic stalwart Will Ferrell is Jim, the doting widowed dad to Jenni (Geraldine Viswanathan) and soon-to-be father-in-law of amateur DJ Oliver (Stony Blyden). That's wedding number one. The other team is fronted by the irrepressibly feisty Reese Witherspoon as Margot, producer of reality TV shows with titles such as *Is It Really Dead*, who is in charge of nuptials for beloved younger sister Neve (Meredith Hagner) and amiably dopey Chippendale dancer Dixon (Jimmy Tatro).

Margot and Jim initially thrash out the situation with quivering receptionist Leslie (Jack McBrayer, reprising his role in *30 Rock*) and agree to divide the time and space.



Not without a hitch: Reese Witherspoon and Will Ferrell in wedding comedy 'You're Cordially Invited'

Lost already? There are dozens of names to remember here, many of them Southern-fried double barrels: another reliable wedding gag.

Stoller's previous credits include *Forgetting Sarah Marshall* (2008) and the underrated *Bad Neighbours* (2014); his dialogue and instinct for familial malice are both razor-sharp. Witherspoon, in particular, delivers his zingers with the unerring aim of a screwball comedy heroine.

Too often, however, that sparkle gets caught in the mechanics of everything going wrong, being recovered and then going wrong again. A storm forces the two parties into the same room during the rehearsal — disaster — but DJ Oliver gets everyone frisking libidinously on the dance floor: situation temporarily saved. Eventually, the pile-up of increasingly absurd calamities collapses — as it must — into the weeds of sentiment. It's all entertaining enough, but you do wish Stoller could have reined in the slapstick, stabled the alligator and let the talking do the talking. **SB**
On Amazon Prime Video now

Classical Richard Fairman



Jean-Yves Thibaudet
Khachaturian: Piano Concerto
Decca
★★★★☆

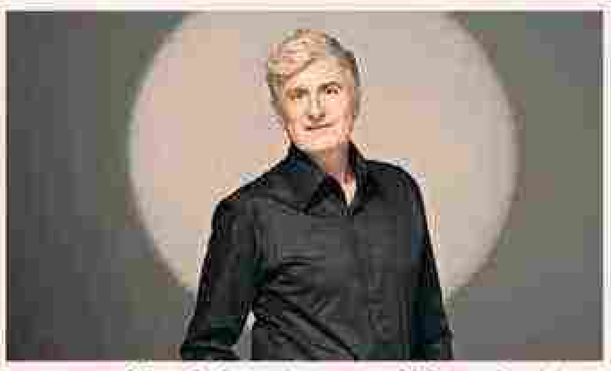
The one piece by Aram Khachaturian that is known the world over is the Adagio from his ballet *Spartacus*. Jean-Yves Thibaudet's record company knew exactly what it was doing when it placed it first on this disc. Even in an arrangement for solo piano, the music soars and carries one's spirit on the wing.

From there to the main event, a performance of Khachaturian's Piano Concerto, is a step down. The concerto scored a success in its early years, but is rarely encountered live these days, leaving only the occasional recording.

Here is a widescreen, Hollywood vision of what a piano concerto should be. There are fistfuls of notes, brassy climaxes, and periodically it works up to the grand announcement of a big tune — but glorious melodies of the kind familiar from the concertos of Tchaikovsky and Rachmaninov fail to arrive.

Compared to previous recordings, Thibaudet and the Los Angeles Philharmonic, conducted by Gustavo Dudamel, are a lot faster. This is wholly to the good and music that previously seemed feebly bombastic now acquires tremendous panache from the soloist and a play-it-for-all-its-worth razzmatazz from conductor and orchestra. The slow movement, with its haunting part for flexatone, comes across a treat.

If a recording of Khachaturian's concerto is wanted, this live performance makes a clear first choice. Thibaudet adds a selection of the composer's solo piano pieces, including half a dozen of the *Pictures of Childhood* and the *Masquerade* Suite, all appealingly played.



Jean-Yves Thibaudet's music soars and lifts one's spirit

Jazz Mike Hobart



Ambrose Akinmusire
Honey From a Winter Stone
Nonesuch
★★★★★

Ambrose Akinmusire's second Nonesuch release, *Honey From a Winter Stone*, continues the trumpeter's ongoing exploration of Black American experience with a rousing concoction of modernist strings, freestyle wordplay and contemporary modern jazz. The music's wellspring is personal and culturally rooted — a near-death experience for the first track and the complexities of African-American daily life for most of the set. But artful juxtapositions and Akinmusire's emotive playing offer universal truths that relate to everyone.

Akinmusire's key concerns first surfaced on his 2011 Blue Note debut *When the Heart Emerges Glistening*, an acoustic jazz set with drummer Justin Brown. Seven years on, *Origami Harvest*, recorded with the Mivos Quartet, introduced classical influences alongside jazz and rap. This latest recording is inspired by the late American composer Julius Eastman's idea of "organic music", a compositional approach that involves gradually adding and removing musical elements to create layers that develop over time. It uses a mix of frequent collaborators and new faces to take the concept further. The result is a series of freewheeling soundscapes awash with detail and depth.



Magisterial: Ambrose Akinmusire — Michael Wilson

The album opens with pensive trumpet, ruminating Sam Harris piano and an anxious mood. Drums enter with a rumble and a splash, high trumpet notes are closely controlled and then, three minutes in, a bass drum pulse cues ethereal synth, jagged strings and the vocals of "Muffled Screams".

The initial stanzas, written by Akinmusire after his brush with death, are dramatic but vocalist Kokayi expands their potency with an improvised mix of rap, poetics and spoken word.

Later, the instrumental "Bloomed (the Ongoing Processional of Nighas in the Hoodies)" follows stirring strings with spiky trumpet modernism and "MYanx" uses gritty beats to support free-form rap. Here, Kokayi spins lyrical magic from a single syllable, "anx". In contrast, "Owled" twists through gentle quartet voicings, hip-hop and piano romance to showcase Colombian musician Chiquitamagic's atmospheric microtonal synth.

The final track, "s-/ Kinfolks", conjures a kaleidoscope of textures and maintains its grip for nearly half an hour. Akinmusire's magisterial trumpet, the band's close-knit playing, and Kokayi's vocal trickery are a perfect match.

Theatre Sarah Hemming

Inside No 9: Stage/Fright
Wyndham's Theatre, London
★★★★☆

When Steve Pemberton and Reece Shearsmith wrapped up their brilliant BBC TV show *Inside No 9* last year there was great lamenting from everyone who had loved the funny-peculiar series. Across a decade, the self-contained episodes dropped little beads of gothic horror and poignancy into often mundane settings. But endings are never quite what they seem where Pemberton and Shearsmith are concerned, and now they bring their macabre comedy to London's West End.

Theatre loves a ghost story: there are so many rumoured spirits stalking the old West End playhouses that it's a wonder any living souls can find a space in the bar. Pemberton and Shearsmith seize on this — there is, of course, a ghost at Wyndham's who needs to make an entrance. But *Stage/Fright* is a multi-layered piece on the whole business of haunting: who haunts whom, where and why? And while fans will delight in spotting Easter eggs in the plot, the pair mix it up with a meta-theatrical story specific to their location. They draw on beloved performances past and revel in deliberate misdirection, sudden shifts of perspective and the glories of live theatre.

The opening prologue sets the scene, with a blood-drenched warning about theatre etiquette that hints at the disorientation to follow. Thereafter we're picking up on an episode from series four that tips us down a rabbit hole into another sketch. Soon we have lost our footing as to what layer of artifice we've arrived at — a state that continues.



Macabre comedy: Reece Shearsmith — Harry Elletson

Simon Evans' staging see-saws from extravagant grand guignol to modern terror techniques to vaudeville, all pitched on the borders between the scary, the sad and the silly. Popular theatre styles past and present collide; Grace Smart's shape-shifting set, Yves Barre's deliberately ridiculous costumes and Neil Austin's wildly dramatic lighting get in on the act.

There's a lot that's absurdly funny, as well as one sequence that is hair-raising. Meanwhile a moving thread works through the piece about the interplay between acting, memory and haunting. For all the knockabout stuff, this is a show that reflects on the transience of life and theatre and the way the past lingers in the present.

Pemberton and Shearsmith are onstage throughout, inhabiting various oddballs and drawing on their history. They're joined by a versatile cast who keep us guessing as to where the truth lies.

Occasionally the production teeters on the high wire that the writers have slung up. But, as with their best TV shows, it's capped with a twist that makes you doubt your eyes and drills to the heart of the piece. Another wildly clever, innovative and moving show from this duo. Will it be their last gasp? Who knows.
To April 5,
insideno9onstage.com

Life&Arts
FT Weekend



SNAPSHOT

'Crocodiles' (2016) by Henry Roy

Director Barry Jenkins cites the Franco-Haitian photographer Henry Roy's dreamlike work as a lodestar for his Oscar-winning film *Moonlight*. Both artists share a fascination with water, which is for the film director — as for the photographer — a symbol of "transcendence".

Impossible Island, a monograph accompanying Roy's career survey at The Art Gallery of Western Australia in Perth, testifies to a 40-year search for the spiritual and mythological. In one image, a rock rumoured to be the home of the Greek sirens emerges rugged from the water; in another, a man floats, his face hidden.

In "Crocodiles", taken in the Côte d'Ivoire, the impossible island seems literal: a pirogue on a grassy bank is guarded by two crocodiles, their tails touching in algae-covered water. The divine connotations of the slant birdseye view is fitting for the setting, a country where crocodiles are revered as sacred. We sense a mythological scene unfolding, but it's up to the viewer to discern its resonance.

Natalie Perman

'Impossible Island' by Henry Roy is published by Loose Joints and is on show at The Art Gallery of Western Australia, Perth, until May 18. artgallery.wa.gov.au

The revenge of the Mediterranean



Janan Ganesh

Citizen of nowhere

The acronym was cruel enough. More than a decade ago, as Portugal, Italy, Greece and Spain fought to prove their creditworthiness to a doubtful world, the term "PIGS" caught on. But it was an innocuous-sounding phrase, "the periphery", that really hurt, like calling Poland "eastern" Europe. (Or Hampstead a "suburb".) For millennia, the Mediterranean world viewed most of what happened north of the Alps as incidental, if not barbarous. How stinging to have that condescension reversed.

A revenge of sorts is being had. Spain was the world's best-performing rich nation in 2024, judged The Economist. Greece was borrowing as cheaply as France towards the end of the same year. Foreign delegations now trouble the political class in Athens for clues about how to do painful, fruitful reform. Portugal has been growing faster than Germany since before the pandemic.

Economic numbers will toggle up and down. What won't change, I sense, is the gradual southward drift of political power in the continent. The only European head of government at Donald Trump's inauguration was Giorgia Meloni. There is more to this than one woman's opportunism, or the fact that Britain, France and Germany are led by wounded animals right now. After Brexit, space naturally opened up for another large nation to assert itself in the EU. Of the obvious candidates — Poland, Spain and Italy — two are Mediterranean.

Even the largest problem facing southern Europe, its exposure to irregular migration across the sea, is a kind of leverage. The rest of the continent will have to incentivise the likes of Italy to not wave arrivals northward. (The EU has a similar arrangement with Turkey.) The continent's southern frontier now has a strategic value that was hard to picture at the EU's founding. Given the respective birth rates of Africa and Europe, the intermittent chaos of the Sahel, it will grow, not wane.

And even this doesn't get to the root of the Med's rising clout. In an ageing, low-growth continent, the trick is to tap into more dynamic parts of the world. It matters, therefore, which countries have historic and linguistic ties to where. Madrid now rivals Miami as the home-from-home for capital and talent from Spanish-speaking Latin America. Whether Lisbon has the scale to act as a similar conduit for Brazilians, we'll see, but the basic Lusophone link is there.

> Economic numbers toggle up and down. What won't change is the southward drift of political power

It is the northern EU, through historical accident, that looks less and less like the coming world. There is no French- or Dutch- or German-speaking superpower on the horizon, unless Madagascar gets a move on. With the rise of Spanish (which has toppled French as the most-studied language at A-level in Britain, never mind globally), my sense of where in Europe feels parochial, and where seems a bridge to elsewhere, has changed over the course of my adult life.

When Marco Polo went to China, he interpreted it as two worlds, such was the difference between north ("Cathay") and south ("Manji"). In India, the languages spoken, the incomes earned and the votes cast change profoundly as the wide Gangetic Plain tapers southward. Americans fought a civil war along a more or less latitudinal frontier. Any large body of inhabited land is prone to a north-south rift (think of Nigeria), often rooted in such hard factors as average temperature and staple crop. Europe's is slight. As almost all of the continent is high-income, majority Christian and tightly packed, I maintain that it is, by world standards, one country.

But this must have made northern condescension all the more galling. It still exists. A fear among Britain's elites is that the UK "becomes Italy", as though no worse fate could befall a people. Well, sweeping theories about the unreformable south, a lovely place for a weekend farmhouse and not much else, look quaint now. And while the economic gains since 2010 can be overdone, the strategic trends that are empowering the Med can pass without notice. The future of the continent will be decided to a large extent south of the 45th parallel, as was its deep past. Who are you calling peripheral?

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Have we hit peak tech bro?



Jo Ellison

Trending

Scant information exists about Liang Wenfeng, the DeepSeek founder whose launch of a cheaper and more accessible AI technology this week prompted a rout on Wall Street. But Wenfeng is not your average tech geek: he does not play with the Silicon bros.

He's not been seen on a yacht with Jeff Bezos. He didn't mingle with other billionaires at Anant Ambani's nuptials, nor peacock on Donald Trump's inauguration stage. He's unlikely to be pictured in a spacesuit, talking of his dream to visit new frontiers. Google search returns an image of Wenfeng in front of DeepSeek branding, the model of a junior accountant with clipped goatee, glasses and pinstripe suit. The portrait has since been discredited as a stock picture from an image library: in real life, Wenfeng looks less self-assured.

The image most widely circulated places him in a meeting with Chinese Premier Li Qiang late last month. Forty years old, he looks so young as to appear callow, despite his pale grey suit and sweater vest. "When we first met him, he was this very nerdy guy with a terrible hairstyle talking about building a 10,000-chip cluster to train his own models. We didn't take him seriously," his former colleagues told the FT.

A former venture capitalist, he launched High-Flyer in 2015. The quantitative hedge fund was so successful that he managed assets worth more than $8bn. He founded DeepSeek in 2023 with a small team of predominantly Chinese talents, many of whom were picked up on graduation from the prestigious Peking University. He pays employees handsome salaries in order to recruit the best that he can.

By these accounts at least, Wenfeng stands in contrast to all that a modern tech bro represents: a "homegrown" talent from Guangdong, China, he's a "tech idealist" (imagine?) who believes that "giving back is an honour" and who has created an open-source culture as a means to innovate.

Wenfeng provides an extraordinary counter-narrative to a script that has become almost vaudeville to those outside the bubble. In recent years the Silicon Valley culture has become so swollen on its success and privilege that its proponents now look like players in a pantomime.

Of course it's not what you look like, but what you do that counts. But looking at Monday's biggest financial losers from the fallout, you wonder if this strange parade of poseurs needed cutting down to size. Suddenly, Nvidia's Jensen Huang, whose company endured a $589bn wipeout in market value on Monday, looks a bit foolish in his $9k Tom Ford lizard-effect coat. As does Sam Altman in his child-man sweatshirts. And Larry Ellison, Oracle's own 80-year-old Peter Pan, with his deep-V sweaters and permatan.

> Off with the hoodies and funky medallions. In with the stiff collars and sober suits

The cult of personality that has grown around these men, the posturing, the self-branding . . . Could it be that we have reached peak tech bro? Was it a coincidence that many of the "winners" on Monday — Warren Buffett and Apple's Tim Cook among them — are known for a more conservative deportment, the type of guys who wear a suit and tie. Off with the hoodies and funky medallions. In with the stiff collars and sober suits. Even Elon Musk, who spent the last six months slobbing around in a badly fitting T-shirt, has adopted a new tailored look.

"You are such fucking dopes," says *Succession* patriarch Logan Roy, voicing his frustration with his children and the management of his holding company. "I love you. But you are not serious people." They are words that have echoed all week as markets scramble for safety following a period of wild ambition, risk and super-accelerated wealth. Bring back serious people: and not just in finance, in every sphere.

Of course, I would not be such a dope as to make my stock picks according to who does and does not wear a tie. But at least DeepSeek's "Sputnik moment" returns an air of conservatism and introspection to a landscape so hyped on its own successes it thought itself invincible.

Already, the bros are pushing back. Thrive Capital's Josh Kushner has been bad-mouthing the DeepSeek platform: Sam Altman's fan-boy found time to tweet his reservations while stepping out in Paris during the couture shows with Karlie Kloss, his Dior-clad model wife. Kushner has become a totem of big-risk investments, a maverick investor prepared to invest huge sums in start-ups in the hope of massive gains. Thrive contributed more than $1bn to the funding round that gave OpenAI a $150bn valuation, so one can probably read his X proclamation as little more than sour grapes.

Communists versus capitalists, suits versus exotic leathers, open source versus IP: the DeepSeek story disrupts the Silicon mythology. I find it all delightfully entertaining, but then I've got no skin in this game. Wenfeng has unsettled the trajectory from underneath a brilliantly (and possibly, self-barbered) feathered fringe. His only slightly alpha peccadillo? He likes exploring deep-sea caves.

jo.ellison@ft.com

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NEWS

This week . . .

Nathan Brooker, Editor, FT Money

I'm sure it feels tempting sometimes, but in reality very few parents actually cut their children out of their will. According to a Hargreaves Lansdown survey, only about one in 10 choose not to leave their family an inheritance. With the "Great Wealth Transfer" upon us, I suspect that proportion will get smaller, as inherited wealth becomes more important to young people's future prosperity. Whether parents are *able* to leave an inheritance is another story, though, due to rising social care costs and the widening net of inheritance tax. That's a comforting thought.

Cover story, pages 6 & 7

Do investment trust discounts even matter?
Jonathan Guthrie asks whether all the ire misses the point
Financial Thinking, page 4



What's behind the boom in parking penalties?
Could it have something to do with widespread private equity involvement in the sector since 2017?
Page 8



What can investors learn from the past seven days?
It is very tempting to call this the end of the tech bubble — but is that really where we're at?
Back page





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Investment trust agrees shake-up under pressure from activist

INVESTING

HVPE board looks to narrow 35 per cent discount to NAV

ALAN LIVSEY

A FTSE 250 private equity investment trust introduced new initiatives on Thursday to help close the share price's wide 35 per cent discount to the trust's net asset value (NAV) per share at the end of 2024, sending its shares up as much as 6 per cent on the day.

Metage, a London-based activist investor, wrote to shareholders of HarbourVest Global Private Equity Limited (HVPE) in November, asking that the company revamp its strategy. Metage complained that since summer 2020, HVPE's share price had trailed well behind the underlying value of the fund. The activist suggested that HVPE needed to accelerate share buybacks and reconsider how to invest the fund's spare cash.

After consulting with shareholders, the board of HVPE proposed three changes aimed at maximising shareholder return and dealing with the large discount to NAV. These initiatives will be presented to shareholders on February 4.



HarbourVest Global Private Equity Limited's share price rose by 6 per cent on Thursday — Charlie Bibby/FT

First, HVPE has agreed to double the proportion of its available cash in its distribution pool for share buybacks from 15 to 30 per cent. Next, a new simplified investment structure has been agreed in principle with investment manager HarbourVest Partners. This will segregate the trust's investment funds into a separate vehicle to create a more direct link between HVPE investors and the private equity holdings. Previously, investments were commingled with those of other HarbourVest Partner's clients.

Finally, the board proposed the introduction of a continuation vote at the 2026 annual general meeting. According to the trust, "HVPE will be the first listed PE fund of funds investment company to take this step. Shareholders will be asked by simple majority vote if they wish the company to continue." Shareholders had not asked for this vote.

"HVPE's discount to NAV remains a key focus," said its chair Ed Warner, a former investment banker. "We understand and share our shareholders' concerns, and believe the three measures announced today will maximise returns, help to address the discount, improve flexibility and give shareholders greater control over their investment."

There are some doubts among investors and analysts, however. "Undoubtedly the devil will be in the detail re the [new segregated structure]. For me the key issue by far is the buyback commitment," said Alan Brierley, an analyst at Investec. Nevertheless, he sees these initiatives as positive overall.

This move follows the recent push by US activist Saba Capital, run by Boaz Weinstein, to overturn the entire boards at seven UK-listed investment trusts. Earlier this month Saba lost its first of these shareholder votes at Herald Investment Trust. The other votes will follow in February.

Metage declined to comment.

READERS WRITE

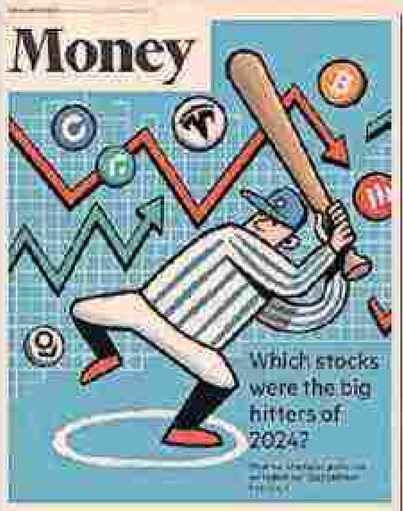
FT stock picking contest: who were the big hitters of 2024?
There's a lot to learn here. First, the S&P 500 index is very respectable and hard to beat.

Second, as Katie Martin experienced, the market doesn't care about you and your biases. You don't like crypto? The market does.

The market doesn't care that it has no underlying value. — *DFK, via FT.com*

It's funny to think that the consensus trade this time last year was to short the Magnificent Seven. — *Picakezdi, via FT.com*

Active ETFs are a wheeze — an extremely clever one
I was a fund manager too and looking back at active bets and their impact and all the discussions of being 0.2 per cent overweight Indonesia, or a stock, were a meaningless rounding error in the big picture.



There is no reinvention of the wheel. Take out a cheap passive global equity tracker or, at a push, the Vanguard Lifestrategy 80 per cent equities and, like Stuart Kirk, spend more time napping on your sofa and running on the beach. — *Retired Essex, via FT.com*

The investment and financial services industry employs a lot of people, many of whom have no skills to gain meaningful employment elsewhere.

They have to justify their existence, hence the creation of unnecessary financial products. The industry is full of people working on solutions in search of a problem. — *Steve from Japan, via FT.com*

If your partner died first, could you manage money solo?
I'm the money person in our house and I'm older than the non-money person. But I've endlessly drummed into my other half all sorts of stuff so she can distinguish an ETF from a Reit.

She's still a bit weak on duration risk on longer gilts. I'm great fun at parties. — *Sam Taan, via FT.com*

As my wife and I are in the process of updating our wills, I asked ChatGPT to generate a probate template. It came up with a very good first pass but did not have a section on utility providers, so I asked it to add one.

The whole process of creating the definitive probate template took no more than 60 seconds . . . inputting the content thereafter is very straightforward.

In a digital world, with paper records few and far between, we owe it to the executors of our will to make life as easy as possible. — *dontchanow, via FT.com*

'Will I be caught in a 76% inheritance tax trap?'
The tax system needs an overhaul. If we contribute more — or are rewarded with higher pay — and choose to save for retirement, we should not be penalised for saving.

This is one reason why some residents, myself included, are considering moving abroad. *Roger read, via FT.com*

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NEWS

‘Pension tax changes to bring in £40bn by 2045’

TAX

Government figures underestimate scale of IHT move, says Webb

MARY MCDOUGALL, EMMA DUNKLEY AND EMMA AGYEMANG

The UK Treasury is on course for a windfall of more than £40bn over the next 20 years, new estimates show, as thousands of heirs of people who converted pension promises into a cash lump sum following “pension freedoms” in 2015 face inheritance tax bills.

The government estimates that pension tax changes will raise £1.46bn a year by 2029-30, but consultants at Lane Clark & Peacock, an actuarial adviser, estimate that revenue from UK-wide transfers out of defined benefit to defined contribution schemes will surge from £470mn in 2029-30 to more than £3bn a year by the mid 2040s.

“The figures in the red book [Budget documents] don’t do justice to the long-term scale of the tax increase which could easily be over £40bn over the next two decades,” said Sir Steve Webb, partner at LCP and former pensions minister.

Revenue is set to rise sharply because of a surge in pension transfer activity several years ago. In 2015, the then chancellor George Osborne introduced rights allowing individuals to move their defined benefit pension scheme to a defined contribution pot.

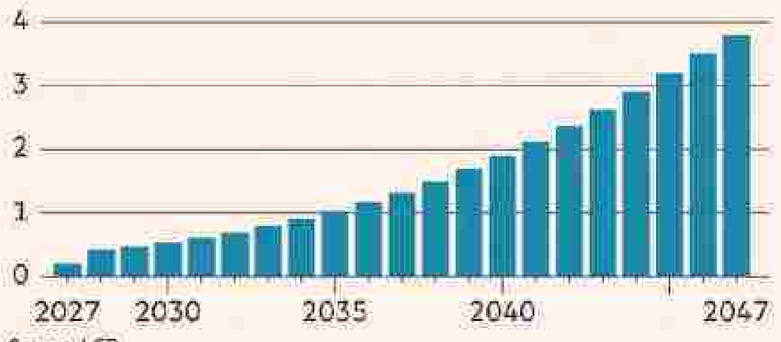
More than 100,000 transfers were undertaken in the five years after that, according to LCP, and six-figure transfer values were the norm. In many cases these transfers were undertaken specifically so the value of those pension pots could be passed on when the member died.

In last year’s Budget, chancellor Rachel Reeves announced that unused pension funds will be included within IHT from April 2027.

“Applying inheritance tax to pension balances could prove to be a real gold mine for the government for many years to come,” said Tim Camfield, senior consultant at LCP, who carried out the analysis.

Tax windfall from pension transfers to boom under IHT rules

Estimate of inheritance tax revenue per year from defined benefit to defined contributions transfers (£bn)



Source: LCP

While he acknowledged that some retirees may react to tax changes by drawing down on pension assets faster, the changes will still generate significant tax revenue because such withdrawals will be subject to income tax, he said.

“Either way, as the DB transfer generation gets older, the government will start to see a multibillion pound revenue stream from the income tax or IHT on their pension pots,” Camfield added.

According to a freedom of information request from investment platform Interactive Investor to the Office for Budget Responsibility, an estimated 31,200 more estates will be subject to IHT in the three years from the 2027-28 tax year than if pensions had not been included in estates.

The OBR estimates that 66,600 people will pay inheritance tax in 2029-30, up from 40,100 in the current tax year.

LCP calculates that these numbers should continue to surge because the peak in transfer activity from DB schemes to DC schemes was in 2017-18, after which tighter rules around financial advice followed by a fall in transfer values led to a dramatic reduction in the volume of transfers.

The typical person who transferred was in their late fifties, according to LCP. As these people gradually die over the coming years, any unspent balances in their transferred pension fund will be potentially liable to IHT.

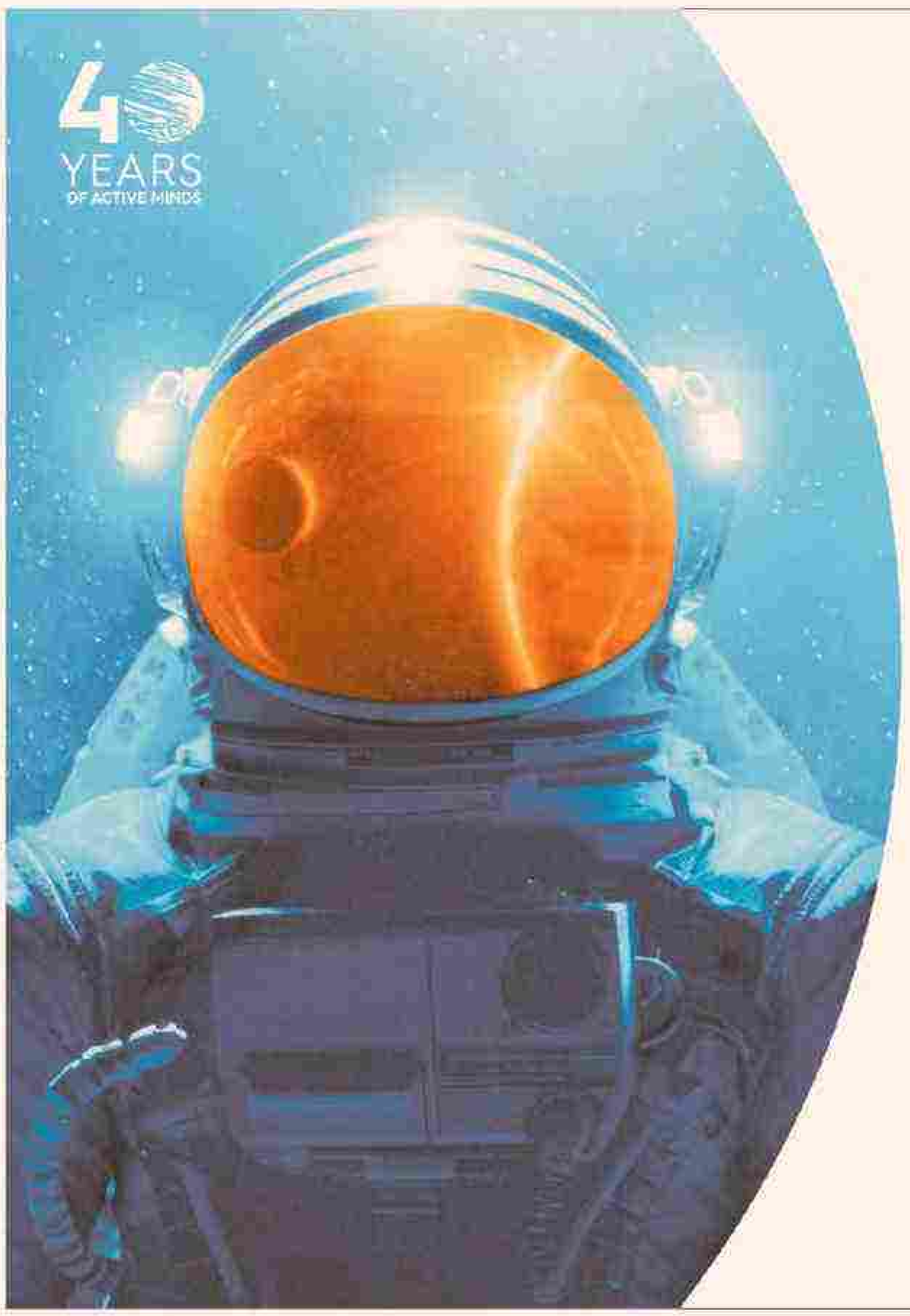
Rob Morgan, chief analyst at wealth manager Charles Stanley, said that enhanced death benefits tended to be “the overriding factor” for people choosing to transfer out of DB into DC.

“On the basis that people will mostly have only done this where there is ample income and assets elsewhere, we can infer that there will be IHT consequences in many cases,” Morgan said.

Data from the Financial Conduct Authority shows that between April 2015 and September 2018, more than 170,000 people who received advice transferred their DB scheme to a DC pot, with an average transfer value of over £350,000. This suggests the total amount transferred in this period was over £50bn.

Shaun Moore, tax and financial planning expert at Quilter, a wealth manager, said a freeze in the inheritance tax threshold — which is set to last until 2030 — plus the inclusion of pensions from 2027 would enable the government to “cash in on an ever-expanding pool of taxpayers”.

The IHT tax-free threshold has been set at £325,000 since 2009. The impact of the frozen threshold alongside inflation and rising asset values means more people have been dragged into paying inheritance tax, with the trend likely to continue.



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OPINION

Investment trust discounts: do they even matter?



Jonathan Guthrie
Financial thinking

If you have an undesirable physical feature it is best not to harp on about it. Otherwise, you will become known as Bob With The Big Feet rather than Robert The Thoroughly Agreeable Fellow.

The UK investment trust sector appears woefully unaware of this common sense rule. Here, discounts are analogous to the feet that inspired jazz musician Fats Waller to exclaim "your pedal extremities are colossal!" An attack on the sector by US activist Boaz Weinstein has brought the insecurity into sharp focus.

Does it matter that investment trust shares typically trade at a discount to net assets? That issue is at the heart of Weinstein's attempt to take control of seven UK investment companies.

He is taking a swing at the UK's tight-knit investment trust industry via his business Saba Capital Management. He aims to supplant a series of board with two of his own candidates. The trusts would then replace their investment managers with Saba.

As a justification, Weinstein focuses on discounts — the sector's not-so-secret shame. It is worth reminding ourselves what these are.

Investment trusts are closed-end funds. When investors trade shares, managers have no obligation to buy and sell underlying assets. This allows them to invest more easily in illiquid investments. But it means share prices are generally out of sync with net assets per share.

Usually, they are negatively out of sync. Discounts are typically 10-15 per cent. The higher figure is where they sit at present, if we exclude 3i, a large and unusually successful outlier, from the sample.

Discounts seem like a bad thing. Surely shareholders would be flocking to pay premiums for shares if investment managers inspired any confidence?

The reductionist view is that any trust trading persistently below net asset value should sell all its assets and distribute the cash, allowing shareholders to recoup the discount. This was what US activist Edward Bramson did at Electra, a trust specialising in private equity, after fellow investors voted him on to its board in 2016.

Discounts are therefore a perennial subject of anxious discussion in investment trust circles.

With the terrifying prospect of further activist incursions looming, investment trusts bought back a record £7bn of their own shares in the first 11 months of 2024, according to Morningstar data. The average discount increased anyway.

That is the problem with buybacks. There is little evidence they are effective. I had to scroll back to 2000 to find a study suggesting that a one-off buyback narrows the discount by an average of 3.2 percentage points after 42 days. This unimpressive effect may not persist.

Proponents say buybacks measurably reduce the volatility of discounts. So what? They are grasping for evidence and seizing the only inconsequential metric to hand.

Conventionally, business works very hard to downplay characteristics that embarrass them. Investment trust discounts are a curious example of an industry doing the opposite.

I find this puzzling. To me, discounts seem something of an irrelevance. Suppose I buy into a trust at a 12 per cent discount and sell seven years later at roughly the same discount? The discount is a wash, as far as I am concerned.

Plainly, I would do better if I bought at a steep discount and sold at a premium. But this is unlikely.

The average discount on five out of seven of Weinstein's target trusts has varied by, at most, 2.2 percentage points over three, five and 10 years to the end of 2024.

It is fair to point out that the average day-by-day discount for the whole sector has cyclically narrowed and widened by more than this over the period. But the cyclical element in discounts, which is currently high, cannot be blamed on individual managerial incompetence.

If I was a long-term shareholder in investment trusts, I would be more interested in total returns. The higher the returns, the less impact swings in discounts would have on them.

In this respect, Saba's target trusts are a mixed bag. The CQS Natural Resources Growth & Income Trust has performed strongly over three, five and 10 years. The others have mostly lagged their benchmarks. Active managers generally do.

I do not save via investment trusts, because open-ended funds are a better, cheaper way to invest in liquid securities. If I did use them, it would be to gain long-term exposure to the illiquid assets which are now their forte. Discounts would play little part in my thinking.

Finally, how should shareholders respond to Weinstein's overtures? All he has been promising them is returns of capital, and hopefully, better performance.

His chances of delivering are no better than those of incumbent boards. As FT Alphaville has pointed out, a couple of investment trusts that Saba already manages trade at material discounts.

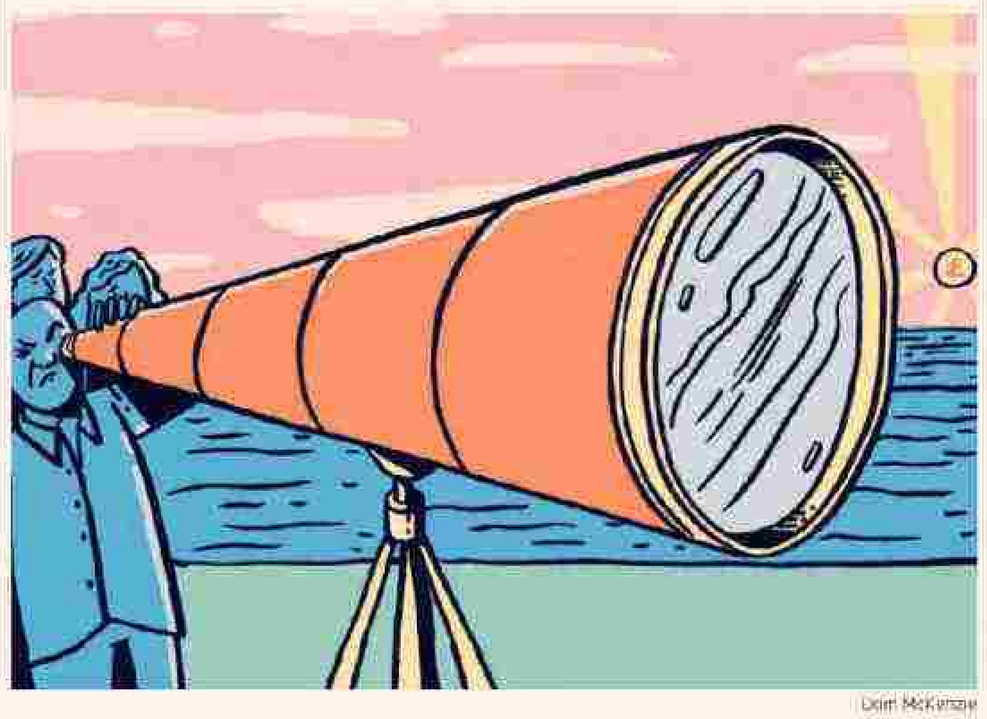
Independent shareholders in Herald Investment Trust saw Saba off last week. Investors in five other trusts would be well-advised to follow suit in polls next week.

Trust bosses are conscious of a deficit more crucial than discounts: voter apathy. Saba is set to hold a cash equities stake of around 29 per cent in each remaining trust. That is enough to win with over 50 per cent of votes cast if turnout among independent investors is some 39 per cent or less, even if none of them vote for Saba.

Keystone Positive Change is one of the target trusts currently banging the drum for shareholder democracy. Turnout at its last routine poll was 25 per cent.

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Suppose I buy into a trust at a 12 per cent discount and sell years later at roughly the same discount? The discount is a wash



Debi McKenzie

Green investment fades, but there is still space for Europe to exploit

For more on the drive for a fairer, cleaner and sustainable world economy, sign up for the FT's Moral Money newsletter at FT.com/newsletters

Politicians in the UK and Europe have been debating with increasing ferocity whether a focus on climate action risks sapping economic vigour. But new data suggests grounds for a different sort of competitiveness worry: that Europe is losing momentum in the race for the low-carbon industries of the future.

The research business BloombergNEF this week published its annual report on investment in the energy transition. The findings have implications for shareholders in a wide range of companies such as utilities SSE and Iberdrola, industrial groups ArcelorMittal and carmakers Volkswagen and Stellantis.

At an aggregate global level, the picture looks fairly robust. Worldwide investment in the low-carbon transition reached over $2tn, up 10.7 per cent from the previous year's figure.

Admittedly, that annual growth rate was well below rates seen in the previous three years. But last year's investment in the transition was well over double the $929bn seen in 2020. While many business leaders may have grown quieter on green issues over the past five years, the amount of hard cash invested has grown strongly.

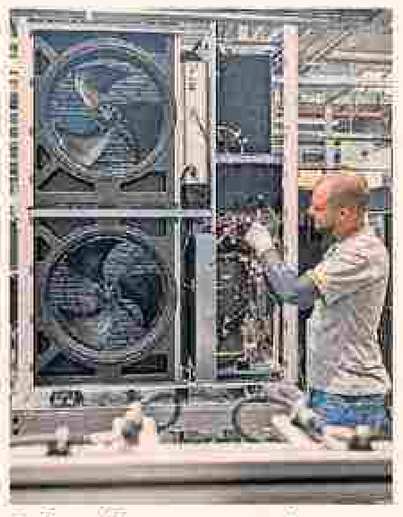
But these strong global numbers are, to a very large degree, due to China, where green investment grew 20 per cent last year.

In the US, investment was flat year-on-year, as the effect of Joe Biden's Inflation Reduction Act began to fade, and investors began to worry about the impact of a second Trump administration.

But the most striking slowdown was in Europe: green investment slid by 6.5 per cent in the EU, and 12 per cent in the UK.

A big part of the problem was in renewable energy, the single largest area of investment, which fell by 10 per cent in the EU and an ugly 68 per cent in the UK, according to BloombergNEF.

A major constraint in the UK has been weaknesses in grid infrastructure. But policy uncertainty is a more serious concern. For all the bold green pledges made by Keir Starmer's government, investors are still waiting for details of game-changing policies that will make those aspirations real — notably in reforming a slow, overloaded permitting system.



Sales of heat pumps in Europe are down by a third

In Europe, the scaling back of green subsidies is having a major impact. This was a key reason behind stagnating electric vehicle sales, and a fall of nearly a third in heat pump sales.

Europe is far from out of this race. Last year's weaker green investment came after strong rises in previous years, and still amounted to 2 per cent of GDP in the EU — far behind China's 4.5 per cent, but well ahead of 1.2 per cent in the US.

The key question for policymakers now is what areas of green investment to prioritise.

In so-called mature areas, such as renewable energy and electric cars, investment grew by 15 per cent last year; in the emerging ones, it fell by 23 per cent. And while Chinese companies have secured a dominant role in many of the more established green sectors, in the smaller, newer ones there is still all to play for in terms of global market share. That is worth consideration from European policymakers as they consider how to breathe new life into the region's stuttering green investment drive. *Simon Mundy*

YOUR QUESTIONS

Your Questions Can I still invest in my future wife's company?

YOUR QUESTIONS



Lucy Warwick-Ching

My partner and I got engaged over Christmas and we're excited to begin thinking about setting a date for the wedding. My wife to be is an entrepreneur and last year I invested in one of her small businesses through the Seed Enterprise Investment Scheme (SEIS), to help the business grow and for the tax advantages the scheme offers. I plan to make further such investments over the coming years. However, will being married to the owner affect my eligibility to invest via SEIS? Are there any alternative venture capital schemes I could use which offer tax relief?

Guy Wilmot, partner in the corporate and commercial team at law firm Russell-Cooke, says rules around SEIS are notoriously complicated, so it is right to think about this in advance. Unfortunately, it is likely that when you are married the previous relief will be disapplied and you will not be able to make further SEIS (or EIS) investments in your fiancée's company.

SEIS relief is not available if an investor is "connected" to the company they invest in. An investor will be treated as connected if they, together with their associates, hold more than 30 per cent of the company's shares or voting rights.

An associate under these rules includes a spouse, parents and grandparents, children and grandchildren. As such, for the purposes of SEIS and EIS, a married couple are treated as a single unit.

If that married unit holds more than 30 per cent of the company's shares, the relief is not available. It is worth bearing in mind that extended family members, such as aunts, uncles and even brothers and sisters, may still be eligible to invest under EIS or SEIS.



FT montage; Getty Images/Shutterstock

Even if the shareholdings were below the threshold, it is still highly likely that the relief would not apply because employees of a company (and their associates) are also connected with that company.

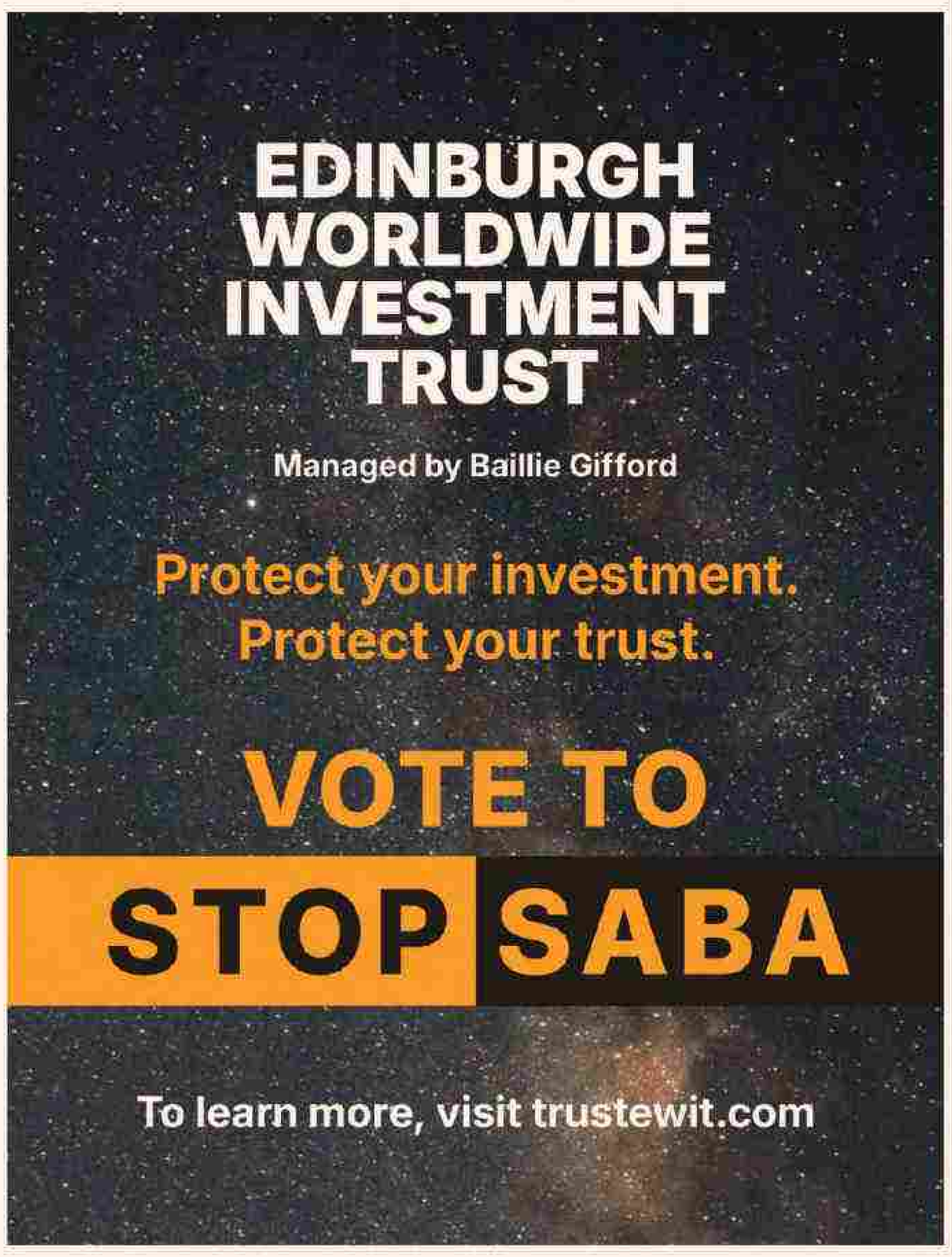
The test of whether an investor is connected to a company applies for three years after the investment is made. If the test is breached within that period, then the previous relief may be withdrawn. As your investment was made last year, a delay in the marriage of potentially more than two years might be needed to avoid withdrawal of the relief, which perhaps takes tax planning to an extreme level, but is of course a personal choice.

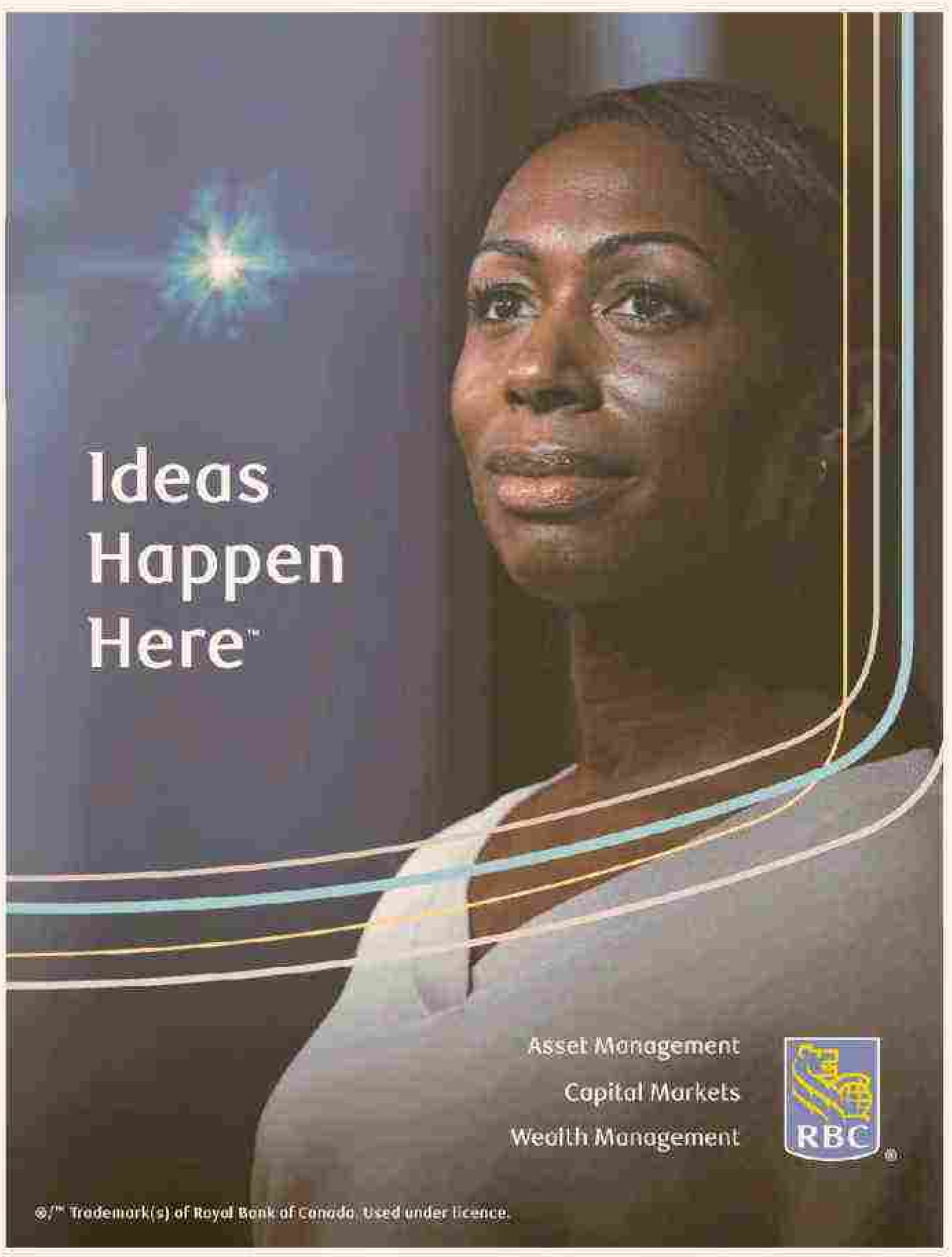
As you plan your future with your fiancée, one option could be to consider becoming a part owner of the business. Gifts of shares between spouses do not attract CGT and there may be suitable strategies you could consider for supporting the growth of what will soon be a family business, including use of capital allowances.

Needless to say, couples considering merging business and financial interests on marriage will probably wish to take appropriate family law advice, potentially including putting in place a suitable pre- or post-nuptial agreement.

It's natural and common for entrepreneurs to turn to friends and family when getting their business ventures off the ground. But entering into a marriage does change the nature of the relationship, not only with the entrepreneur, but also with the business.

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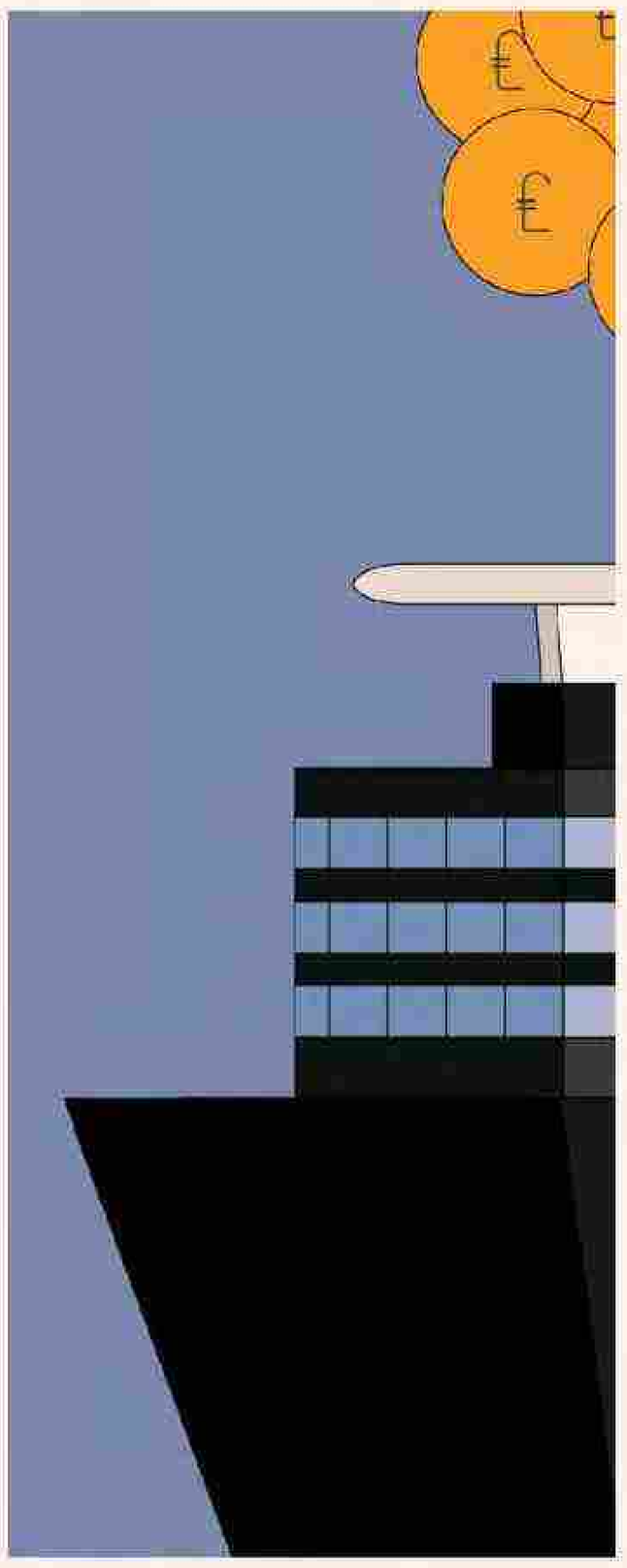




COVER STORY

While trillions of pounds will be handed down in coming decades as part of the Great Wealth Transfer, some parents are choosing to opt out, writes **Isabel Woodford**

Would you leave your children out of your will?



A large inheritance, warned Victorian novelist Charles Dickens, is one of man's chief corrupters. *Great Expectations* is his cautionary tale, as sweet protagonist Pip, believing he is the sudden heir to a fortune, abandons his humility and life-long friends.

It's an idea that holds little sway with most middle-class Britons today. But London-based Andy, 79, is not one of them. He and his wife do not plan to leave their four adult children an inheritance. Instead, the couple have spent what's left of their funds, sailing and travelling the world before they "pop their clogs".

"For me, it's about equality of opportunity and fairness. It seems unfair that some kids get huge assistance while others get nothing," he says. "We're arranging our finances so they have just enough to bury us."

Andy, who asked us not to use his surname, worked in public education and retired in his early 50s. He says he's politically "leftwing-ish", but his views aren't just about politics — it's also a question of parenting. "I don't want to be a helicopter parent . . . I hate when I see kids who are 40 and their parents are still looking after them."

It's a noteworthy stance, given the monumental global wealth transfer expected over the next few decades, £5.5tn due to be transferred to the next generation in the UK alone. With over 90 per cent of the country's wealth currently held by Generations X and older, many Boomers and millennials are set to become "inheritance millionaires".

Yet Andy is not alone. In the US, a 2015 survey by HSBC found that one in four Americans planned to spend their money rather than pass it down, a phenomenon known as SKIs (spending the kids' inheritance). In England, a Hargreaves Lansdown survey from 2021 found that 11 per cent of parents choose not to leave an inheritance to their families. (In Scotland, there are "forced heirship" rules.)

Their motivations range from hedonism, not wanting to spoil their children, or philanthropy. Others — such as actor Daniel Craig — simply find an inheritance "distasteful".

My own parents belong to this contrarian group. Since as early as I can remember, I've known they don't believe in leaving a large inheritance — something my dad has spoken about publicly. They have instead pledged most of their wealth to their charity, The Safer Roads Foundation, along with other causes.

The Bank of Mum of Dad has taken excellent care of my sibling and me (paying off our student loans, and allocating funds for a future deposit on a flat — both immense gifts, and more than many will receive). But now it's pretty much closed for business.

Renaissance philosopher Niccolo Machiavelli once wrote: "A son can bear the loss of his father . . . but the loss of his inheritance may drive him to despair." For anyone wondering if I've succumbed to despondency, fear not: I'm genuinely proud of my parents' legacy. I feel incredibly fortunate for their support. There's a silver lining too, in that I won't be at risk of any familial angst once they die (40 per cent of people report conflict over inheritances).

If anything, I'm intrigued as to why it's so provocative, especially among their peers. On the rare occasions that it's come up, I've encountered shock or thinly veiled criticism of my parents. Sometimes I'm met with reassurance that I *am* in fact in their will and this is a motivational ploy (I checked. If it is a bluff, they're not breaking the act yet).

Some people are horrified, says Andy, by his decision not to pass on wealth to his children
Richard Cannon



Andy also says friends have criticised his stance, despite his children "landing on their feet. People are horrified," he says. "That includes my well-balanced friends . . . They can't understand it."

Online forums froth with furious commentators wondering how people can "watch their kids living in a 'hole' while they go and enjoy their cruises." Anonymous op-eds voice dismay over parents "selfishly" spending their inheritance. There is near delirium each time a member of the super-rich — including Bill Gates and Michael Bloomberg — publicly vows not to leave their wealth to their offspring. Sure, there's being charitable, they say, but to such extremes?

Fundamentally, wanting to *shrink* your children's inheritance is seen as counter to the primitive desire to protect one's offspring. The majority of people are dedicated to hoarding for their family, with more than £100bn inherited and gifted in the UK alone each year, according to Demos, a think tank.

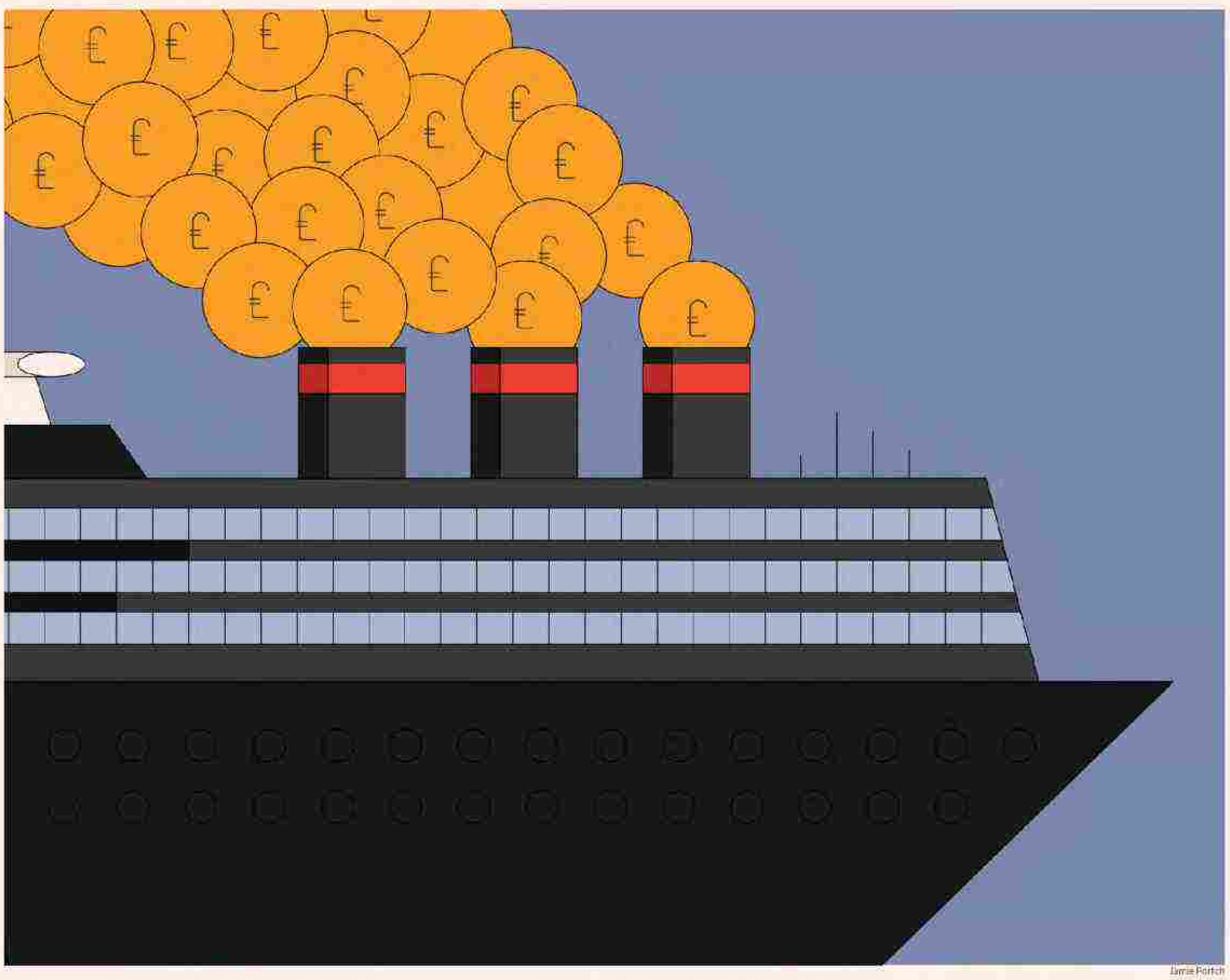
"Taking care of the kids is the cultural norm. So it's countercultural if you will," says psychology professor Janet Reibstein and author of *Good Relations*. "It's seen as neglecting the natural role of parent and child."

'It's a source of anxiety for parents, knowing their children are growing up in affluence'

It's a luxury itself to contemplate trimming your will, given many families are scared they won't get a choice amid rising social costs. Fewer than 30 per cent of Brits expect to benefit — or have benefited from — an inheritance, according to a 2022 YouGov poll. The ONS reported that the median inheritance for those who received one was £11,000 (excluding lifetime gifts), and on average occurs in one's 60s.

Indeed, political interventions that limit passed down wealth tend to spark controversy, including recent reforms to UK inheritance tax (IHT). Today, about 4 per cent of

COVER STORY



Jamie Polton

estates are affected by IHT — charged at 40 per cent on any part of an estate worth over £325,000 (or over £1mn when a main residence is passed down to children and reliefs are pooled with a spouse). The decision to include pension wealth within the scope of IHT from 2027 has come under fire.

Inheritance naysayers have a simple argument: lots of money isn't always the best thing for us. It can damage people — and wealthy kids need specific guardrails, a theory exposed by the Carnegie Conjecture, which holds that people receiving a substantial inheritance are much more likely to leave the workforce. The party line is that guardrails are crucial, whether parents are handing over life-changing amounts or just a generous leftover that might ease their children's paths.

In other words, it's tough love.

Joe Reilly, an adviser to US family offices and host of The Inheritance Podcast, says too much money is a real concern. "It's a source of anxiety for parents, knowing their children are growing up in affluence . . . It can impede their search for internal meaning," he says. "Wealth doesn't have to deprive motivation, but getting rid of all the challenges does."

Sarah Coles, a personal finance analyst at Hargreaves Lansdown, says hyper-successful entrepreneurs in particular want their children to make their own way (though this is softened with substantial gifts during their parents' lifetime).

Receiving a hefty inheritance can come with baggage, says author Eliza Filby. In her book, *Inheritocracy* she cites several examples of people who inherited large sums who felt guilt, and a loss of meaning. There's a danger of "economically infantilising" your offspring, she says, especially in light of the "nepo baby" debate.

To counter this, family office adviser Elena Nuñez Cooper works with clients to adopt a policy of "severe responsibility" with their children. This includes teaching them tough financial lessons and training them to be philanthropists. It also means managing rich people's funds so they "die with zero", with the majority allocated to a charitable foundation — ideally led by their conscientious, financially savvy children.

"Kids do not benefit from an attitude of 'you're going to inherit later'," Nuñez says. "I work with children of billionaires who have everything, and they're a lot worse off in the long run."

For parents it can be a big ideological step to consider trimming a child's or grandchild's inheritance.

It's perhaps an even more bitter pill for offspring expecting a chunky inheritance, says financial psychotherapist Vicky Reynal. "We all have a normal amount of greed," she says. "Most people want to be wealthier."

The framing around cuts in inheritance is therefore key. This includes "highlighting that it has nothing to do with not loving or caring about them," Reynal notes.

Professor Reibstein goes further. She says that where there's little philanthropic precedent families will need to work hard to rewrite their "culture" if they want to take this route — otherwise, "your children will feel it as a blow".

Hargreaves Lansdown analyst Cooper stresses it doesn't have to be all or nothing. Leaving your kids *everything* doesn't have to be the default.

"You can think about giving them comfort without spoiling them," she says. "There's an element of adding to their quality of life versus taking away the impetus to work."

Whatever route you choose, experts agree: communicate your wishes early. Being disinherited *without* being told can be devastating. But the other danger, Cooper says, is when an expected inheritance doesn't materialise.

"You absolutely cannot rely on an inheritance," she warns.

Still, it's hard to escape the fact that for many an inheritance can make an outsized difference, especially in light of rising house prices — the average first-time buyer deposit in London is now over £140,000, according to Zoopla — and diminished pensions. That includes segments of the middle class, many of whom are poorer than their parents. Inheritance is bridging that intergenerational gap, says Filby.

"Whether or not you're from a wealthy family . . . [inheritance] is more important in determining your lifetime income than it has been in the past," says David Sturrock at the Institute for Fiscal Studies.

The IFS forecasts inheritance will make up a record average 14 per cent of lifetime earnings for the 1980s-born generation. That means for some families, an inheritance will dictate whether they own a house, clear their debts, or can retire comfortably, Sturrock explains. In rare cases, it could be a pathway to social mobility.

'[Inheritance] is more important in determining your lifetime income than it has been in the past'

Yet few born in the top quartile can make that argument. Statistically, most adult children in this camp will enter their 40s with a decent income and on the housing ladder — often funded by historic parental gifts. A bulky inheritance in this group's case has been described as insurance against calamity, or laziness.

For Andy, this is precisely the problem. He advises thinking of inheritance as a sporting analogy. Imagine, he says, if there was a rule in F1 where if you won the first race, you'd do five fewer laps in the next race. You'd probably win again, and be allowed five fewer laps again.

That's what leaving an inheritance does to our society, he argues.

I temper that people might struggle to take affirmative action when they see all the other kids getting to skip five laps. Isn't it hard to make yours the odd ones out?

"Well," he laughs. "I just say, you should have brought them up better then."

Growing burden: UK inheritance tax receipts



Source: HMRC

NEWS ANALYSIS

What's behind the car parking penalty boom?

The private car parks industry is becoming increasingly punitive, as **Jamie John** reports



FT montage: Clare Jackson/Carl Dennam/Nancy/Getty Images

Parking in the UK has become a major annoyance for drivers. There are the fiddly apps, cashless machines that never seem to work and ever-increasing rates. Fall foul of the rules and you can expect a parking charge notice through your door within days.

Motorists have taken to online message boards to rail against what they see as profiteering, alleging unfair fees, confusing signage and heavy-handed enforcement, with many believing the process has become more vindictive in recent years.

Drivers are certainly getting more fines. In the 2023-24 tax year, private car park operators handed out a record near-13mn parking charge notices, a rate of one every four seconds. In the six months to last October, the pace accelerated to one every two seconds.

Private parking companies now manage more than 50,000 sites across the UK, up fivefold from 2012, according to the International Parking Community (IPC), a trade body. Over the same period, penalty ticket issuance has risen more than eightfold.

Will Hurley, chief executive of the IPC, points out that most people pay for parking without incident — 99.77 per cent of "parking events" are "seamless", he says.

Nevertheless, the sector, now largely owned by private equity, has enjoyed bumper profits. Seven of the UK's top 10 largest private car park operators had record operating profits in the past three years, according to FT analysis of Companies House filings.

Hurley claims that, across the industry, money from "paid-for parking" far exceeds that from "enforcement". But in its latest accounts, ParkingEye, the fifth-largest operator by revenue, reports most of its turnover comes "from the issue of parking charge notices". Smart Parking, the UK's 11th largest car park operator, earned almost 90 per cent of its global revenue last year from issuing penalty tickets, according to its 2024 annual report.

Most of the top 10 did not respond when contacted by the FT. National Car Parks, the largest operator, declined to comment. Q-Park, the second largest, says it operates barriered facilities and does not issue parking tickets. (Creative Car Parks, NCP and Q-Park have not achieved record profits in the past three years.)

> 'We need parking to support high streets, towns and city centres, but something is clearly going wrong'

Though often described as parking "fines", tickets issued by private companies are technically parking charge notices, alleging a motorist breached the contract to which they implicitly agreed by parking on private land. More than 80 per cent of paid parking charge notices are settled soon after they are issued, according to a submission to parliament by Euro Car Parks.

Parking companies can obtain car owners' details from the Driver and Vehicle Licensing Agency (DVLA), which last year netted at least £31.9mn from the practice. The RAC Foundation, a think-tank, uses the number of vehicle keeper requests made by car park management companies as a proxy for the number of penalty tickets issued — and FT Money has done the same.

Many consider the catalyst for this was the ban on vehicle clamping on private land, introduced by the government in 2012.

According to Hurley, the lack of deterrent resulted in many more people breaking the rules. Others disagree.

Steve Gooding, director of the RAC Foundation, says: "A big part of the issue is cheap camera technology. Ready access to DVLA data means pursuing car owners to 'enforce' parking offences is less expensive than driving around to apply wheel clamps used to be."

In 2022, the government tried to regulate the industry and impose a £50 cap on most charges. In response, parking operators launched legal challenges and the government withdrew its proposals.

Last month, the industry formed a new panel that it claims is independent to oversee itself. Top of its agenda was to stop motorists being penalised for taking more than five minutes to pay for parking.

In December, Excel Parking dropped a court claim against Rosey Hudson, a 31-year old from Leicestershire, whom it charged nearly £2,000 in accumulated penalty tickets. Her case, disputed by Excel, was that she was delayed in paying for parking on multiple occasions due to a poor mobile phone signal when trying to use the car park's app.

From 2017 to 2024, Excel Parking tripled its operating profits to £5.1mn and last year its operating margin stood at 28 per cent, the highest level since it started filing public accounts. Owner and founder Simon Renshaw-Smith was paid a dividend of £522,000 last year on top of at least £150,000 for his role as a director. He did not respond to a request for comment.

"We need parking to support high streets, towns and city centres, but something is clearly going wrong," says Catherine Atkinson, Labour MP for Derby North, who has raised the issue of unfair parking charges in parliament.

She says many of her constituents paid for parking but had received charge notices for exceeding grace periods allowed by car park operators. "For a lot of people, it's been because they've been older or assisting others, or they struggle with [parking payment] apps and broken machines."

Atkinson has called for "an independently set code of practice" and says she will raise the subject with parking chiefs at a meeting this month.

When the government tried to set new rules for the sector, parking companies argued a full impact assessment had not been carried out. A survey by audit firm Mazars for the BPA claimed fee caps would bankrupt many private operators within a year.

Speaking to MPs in 2021, Philip Boynes, chief executive of ParkingEye, said the "average profit of a car park operator was about 2.1 per cent", citing a report by IbisWorld. But FT analysis shows ParkingEye's operating margin that year was 15 per cent, up from 5 per cent in 2020.

Boynes did not respond to a request for comment.

ParkingEye issued roughly one in five of UK parking charge notices last year. In 2023, its operating profit was £15.5mn from £57.4mn revenues — a margin of 27 per cent.

The company says it "operates responsibly and fairly". Its growth has been in response to "demand [from] landowners who wish to ensure an increasing motorist population can access [facilities] that might otherwise become congested by non-compliant motorists who misuse the parking facilities".

The industry's own code of conduct, which came into effect last year, was largely similar to the government's original, but omitted the proposed £50 cap on parking charge notices and restrictions on debt recovery fees.

At the time, the RAC Foundation said the industry's code "conveniently avoided some of the biggest issues [that] badly need[ed] to be addressed".

Sir Greg Knight, the former Conservative MP who introduced legislation to regulate the sector, is urging the current government to introduce a "national parking code".

"The present situation is highly unsatisfactory; parking companies are in effect policing their own rules," he says. "The government appears to have let this matter drift."

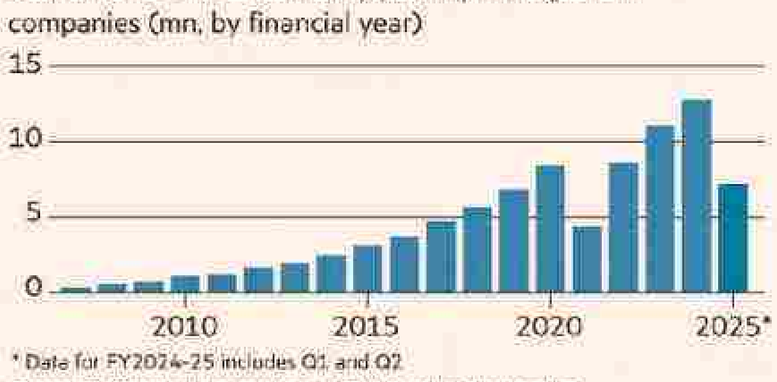
The government says it is "determined" to protect motorists and "drive up standards in the industry". It adds it will "set out further details on the private parking code of practice as soon as possible".

"In my book, this is unfinished business," says Knight.

Additional reporting by Alistair Gray. Data visualisation by Stephanie Stacey

Private parking companies issue record numbers of penalty tickets

Requests for driver details by parking management companies (mn, by financial year)



* Data for FY2024-25 includes Q1 and Q2

Source: RAC Foundation analysis of DVLA vehicle keeper data

Revenues at most private car park operators have grown rapidly

Revenue (£mn)

Items in blue show those acquired by private equity since 2017



Source: Companies House • Top 10 UK car park operators (by latest reported revenue)

OPINION

Retirees can struggle to shift the 'saver mindset'



Moira O'Neill

On pensions

We associate money in the bank with security. But in a modern retirement we need to flick the switch to spending

After a lifetime of being a responsible saver, perhaps denying yourself luxuries in the pursuit of a comfortable retirement, your hard work has paid off. Your pension can provide a more than comfortable investment income. Plus, your calculations (often with the reassurance of a financial adviser) tell you that there's no way you'll run out of money. Yet spending still scares you.

What's the problem? It's not maths, it's psychology. And it can have a pernicious and damaging effect on the experience of retirement.

Financial advisers say navigating the change in mindset from saver to spender is a challenge many clients are unprepared for. A study by the Institute for Fiscal Studies found that around age 62 more than half of the sample had incomes higher than expenditure, and this figure increases to about 80 per cent by the end of retirement.

"It is incredibly common to work with clients who have more than enough wealth to last their lifetime, if not several, yet most feel at some level that they may still run out," says Katherine Waller, co-founder of wealth manager Six Degrees.

One problem is the preconditioning that comes through a savings habit lasting 30 to 40 years. Dan Haylett, director of TFP Financial Planning, says: "We're spoon fed saving and associate money in the bank with security. But in a modern retirement we need to flick the switch to spending."

Another issue is that there are no retirement "role models" to learn from. People retiring now have a very different experience to that of their parents and grandparents. Someone with a defined benefit pension retiring 25 years ago went from a regular income through their work salary to another secure guaranteed (albeit lower) income through the pension scheme. "We're now going from income, to no income and a pot of money that we have to deplete intentionally," says Haylett. "Also, that's a pot of money that gives us social status and a feeling of achievement. The sense of loss from spending it is huge in modern day retirement. People struggle with it."

Vicky Reynal is a psychotherapist who focuses on people's relationship with money. When it is hard to shift from saving to spending, she says it may be because saving was a psychological defence against negative feelings. "Changing our behaviour could leave us feeling too vulnerable or unable to manage the emotions that emerge as we try to spend hard-earned money," she says.

In the worst cases, the emotions preventing spending may be strong feelings of anxiety and fear. "Some people . . . cling anxiously to every penny just in case a catastrophic — and unrealistic — series of events could materialise," says Reynal. "Spending threatens a sense of security and evokes almost primal fears."

At the same time, people often overestimate how long they'll live, says Haylett. "If you've had four aunts live to 101, I get it. But not many people know someone aged 100. The idea of a 100-year life is completely ruining people's retirement."

In the UK, people aged 65 can expect to live on average a further 19.7 years for men and 22.0 years for women, according to ONS data. This is projected to rise to 21.9 years for males and 24.1 years for females aged 65 years in 2045.

One way is to think of money left behind after death as a "lost opportunity". Haylett says: "If I fast forward 20-30 years and you still have 70 per cent of your net wealth on the table, people say it feels stupid and they have missed out." The potential for the government to tax it at the end is another incentive to spend and enjoy it now.

But the balance is difficult to get right, especially since advisers disagree on whether retirement spending should follow a U-shaped path or a straight line.

Many talk about the three phases of a 30-year retirement, roughly divided into 10 years each. First is "go-go", when people have lots of energy and may want to explore the world and spend money. Then comes "slow-go", when spending slows. Finally, they enter the "no-go", when health may be poor. Spending is higher at the start and the end too, if long-term care is needed.

The prospect of a large care bill at the end of life concerns many. "People usually want a back-up plan in place," says Waller.

This is often your housing wealth. But it might also include gifting to family in tiers, holding some gifts back for later in retirement. Or using a gilt and loan trust, where you can have access to the capital, but won't benefit from any investment growth.

Analysis by Interactive Investor, an investment platform, shows that someone living to age 100 could need an extra £260,000 pension wealth to give them a comfortable retirement, compared with someone who lives until 83 years old.

Doug Brodie, founder and chief executive of Chancery Lane Retirement Income Planning, disputes the fact that spending is higher at the start of retirement. While some of his clients plan to spend an extra £10,000 to £20,000 a year on holidays in the early years of retirement, he says in every single case he's found they don't.

"If you have all the time on your hands, would you go and spend a week living in a fancy hotel in Paris? Most people say 'that's not the lifestyle that makes me feel comfortable.' You've spent 40 years embedding your lifestyle with kids, family and local relationships."

More often than not, Reynal says the feeling evoked around spending is guilt, either over its profligacy or the fact that money spent on themselves will reduce the amount their children inherit. "Sometimes it's the guilt of not having been better parents emotionally," she says.

All advisers agree that it's important to try to identify these unconscious discomforts — and this can be done in conversation with family or a trusted adviser. "Talking can be emotive but writing it down or seeing it in writing can be different," says Waller.

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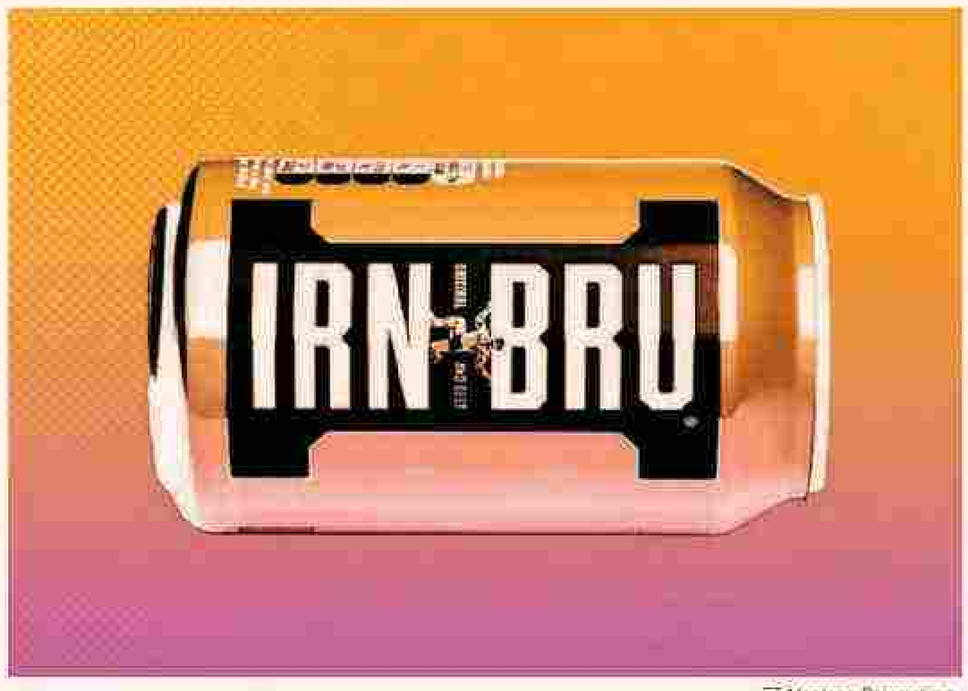
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Drinks groups ring changes to match our changing tastes



Rosie Carr
Investors' Chronicle

Guinness, the famous ad slogan used to say, is good for you. Its owner, spirits-focused Diageo, must agree, having brushed aside rumours that it intends to sell this hugely valuable asset.

Having a strong brand is never something to be sniffed at, and drinks manufacturers know that more than most. Fevertree has built a global business around the idea that the mixers we pour on to spirits should be the very best. Soft-drink maker AG Barr even describes itself as a builder of great brands, and with good reason. Messaging and design can help drive purchasing decisions and increase the appeal to new drinkers.

Once won, customers tend to stay loyal to their favourite tipple, mixer, tea, fruit juice or specialist milk, increasing the chance of stable revenues. But that makes forced reformulations, stemming from policies such as the sugar tax or ingredient price spikes, particularly trepidatious.

AG Barr's portfolio includes UK top-five fizzy drink Irn Bru and exotic fruits beverage Rubicon. Barr has expanded over the years with acquisitions such as pre-mixed Funkin alcoholic cocktails, energy drink Boost and oat milk brand Mona.

Beverage companies need portfolios that cater to changing trends, such as declining alcohol consumption. One incentive behind Carlsberg's 2024 acquisition of Britvic and the UK producer's licensing rights and family of iconic brands (from Robinsons squash to London Essence mixers and J20) was that it enabled it to create a powerhouse of alcoholic and non alcoholic brands.

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Beverages

AG Barr (BAG) — HOLD

Sales rise by 5 per cent

Another year of double-digit growth for the Rubicon brand helped to power sales and profits higher at soft-drink producer AG Barr.

In a trading update following the end of its financial year on 25 January, the company reported group sales up 5 per cent to £420mn. Its adjusted operating margin is also on track to widen to 13.5 per cent — a touch ahead of analysts' forecasts and 1.2 percentage points higher than last year.

All three of its core soft drinks brands — Rubicon, Irn Bru and the Boost energy drinks business it bought two years ago — performed well, with Rubicon described as the "standout performer" and Irn Bru is now one of the top five carbonated soft drinks in the UK.

The underlying improvement in earnings and forecasts makes them an attractive proposition.

The shares now trade just below 14 times forecast earnings (for 2026) — a discount of about 25 per cent to their 10-year average, said Anubhav Malhotra of broker Panmure Liberum. *Michael Fahy*

Financial services

Time Finance (TIME) — BUY

Underlying margins are rising

Demand for Time's alternative finance products continues to increase, as high street banks remain reluctant to provide funding to SMEs. But there are no signs that the quality of Time Finance's loan book has deteriorated with write-offs for net bad debt stable at 1 per cent.

Time has new strategic targets, including raising its lending book to over £300mn, and increasing return on equity to mid-teen percentages. The former rate stood at £209mn through to 30 November, against £189mn 12 months earlier, representing an increase of 11 per cent. Over the same period, net tangible assets rose from £36.4mn to £41.5mn.

Like any financial organisation, improvements at the operating level tend to be incremental, but the group boosted reported margins by a lofty four percentage points to 21 per cent.

Since August 2023 the group has delivered several profit upgrades, and there is nothing in its interim figures to suggest that momentum is waning. Yet the group trades at a discount to net assets on an undemanding price/earnings ratio. *Mark Robinson*

Semiconductors

Texas Instruments (US:TXN) — HOLD

Weak vehicle market hits revenue

Texas Instruments makes analogue semiconductors used in cars to regulate voltage and measure temperature. They are also used in speakers, wireless devices and scanners.

TI is struggling with subdued demand in automotive and industrial. In the three months to December, revenue fell 2 per cent year-on-year to $4.01bn (£3.21bn), while operating profit was down 10 per cent to $1.38bn.

Management has taken a risk by not reducing investment. Last quarter, capex rose 4 per cent to $1.19bn and research and development spending increased 7 per cent to $491mn. This increased spending without demand recovering is increasing inventories. Jefferies says having to sell off this inventory cheaply will pressure margins, and management will have to take "their medicine" and cut capex.

In our view, over-investing is definitely better than under-investing. The issue for investors is that TI trades at a forward price/earnings ratio of 34, which is near historic highs. If a recovery is on the way, it looks to be already be priced in. *Arthur Santa*

DIRECTORS' DEALS

Who's buying or selling shares in their own company this week?

	Director	Date	Price (p)	Aggregate Value (£)
BUY				
Gamma Communications	Colin Lees	20 Jan 25	1,300	40,027
Judges Scientific	Lushani Kodituwakku	23-24 Jan 25	7,344	157,594
Liontrust Asset Management	John Ions (ce)*	22 Jan 25	400	200,000
Liontrust Asset Management	Vinay Abrol (cfo)	22 Jan 25	396	99,000
LondonMetric	Darren Richards	21 Jan 25	181	148,512
Mobile Streams	Mark Epstein (ce)	17 Jan 25	0.4	45,629
Mobile Streams	John Barker (ch)	17 Jan 25	0.4	46,716
Netcall	James Platt	24 Jan 25	105	99,876
Pensana	Paul Atherley (ch)	23 Jan 25	28	78,067
Primorus Investments	Hedley Clark*	17 Jan 25	4	67,870
Safestore	Frederic Vecchioli (ce)	17 Jan 25	607	97,120
Seeing Machines	Martin Ive (cfo)*	17-22 Jan 25	4	48,892
Softcat	Jacqui Ferguson	21 Jan 25	1,470	44,659
Supermarket Income Reit	Roger Blundell	16 Jan 25	70	69,900
VP	Jeremy Pilkington (ch)	17-21 Jan 25	563	653,583
SELL				
Mitie	Peter Dickinson	22 Jan 25	116	203,700
Polar Capital	Alexander Black	21 Jan 25	513	56,396

* Spouse/family/close associate
Source: Investors' Chronicle

Liontrust Asset Management has suffered outflows from its funds since 2022 and there are few signs of improvement yet.

Analysis by RBC Capital Markets found that just a quarter of its biggest funds outperformed the benchmark over one and three-year time periods. In absolute terms, these strategies have delivered returns of 0 per cent.

The market has reacted accordingly. Shares in the group are down 27 per cent year-on-year, and have fallen by almost 70 per cent over the past five years. The company's management team is making the most of the share price weakness, however.

Chief executive John Ions and his wife Paige bought £200,000 worth of shares on January 22. On the same day, chief financial officer Vinay Abrol bought £99,000 of shares.

Liontrust has implemented several self-help measures, including cutting costs. However, analysts at Peel Hunt expect flows to remain negative in the coming financial year. *Jemma Slingo*

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OPINION

What does DeepSeek mean for your portfolio?



Simon Edelsten
On investing

Investors should be sceptical whenever stories like this appear — doubly so when private Chinese companies are involved

The WhatsApp messages began on Sunday. Fellow fund managers had spotted social media buzz about China's DeepSeek AI app. Was this the iceberg to sink the apparently unsinkable Magnificent Seven US tech Titanic?

Nvidia shares took a 16 per cent tumble in just two days, bounced and then stumbled again. The company lost about $600bn of market value. Microsoft held up, but later in the week reacted badly to slower growth in its core cloud business, while Meta reacted well to decent advertising income. Chips stocks have fallen a lot, while software companies held up.

Is this a false alarm, or a chance for alert investors to jump into a lifeboat, while the rest of the passengers are still on the dance floor bouncing to the 80s classic "The only way is up"?

It is very tempting to call the end of the technology bubble. History rings warnings. In January 2000, AOL (new media) bought Time Warner (old media) for $182bn. For some this signalled the peak of the technology bubble. The right investment decision then was to sell newfangled technology and reinvest in old-fashioned banks and mining stocks.

And today? Almost a quarter of global equity indices are in the Magnificent Seven stocks, so calling the top might be calling the top for passive funds that track these indices too. With bond yields in the US and the UK delivering more than 4.5 per cent — higher than inflation — why take so much risk? I discussed the appeal of pocketing gains on these pages a couple of weeks ago. The attraction just got greater.

Here's why the DeepSeek story is important in a sentence. The app is said to work as well as those of US rivals, but was developed at a fraction of the cost and uses much less processing power. There are claims and counter claims about how it was built and how much power it needs.

What we know is that the DeepSeek R1 app works. Both this app and the expensively created ChatGPT app were asked a fiendishly complex question: name famous Scottish footballers. There was a score draw, not quite nil-nil. On programming, DeepSeek was marginally ahead.

I exaggerate a bit, but in a world where Meta is said to spend more than $60bn a year in capital expenditure, this is the tech equivalent of making a working rocket with toilet roll tubes and sticky-back plastic. US restrictions on access to chips seem to have made the Chinese tech wizards particularly inventive.

Investors should be sceptical whenever stories like this appear — doubly so when private Chinese companies are involved. How much aid has the Chinese government given, for example? DeepSeek had a stockpile of older, more powerful chips secured from before the sanctions were applied. How important were they?

At the same time, Nvidia is booking orders for its next-generation Blackwell chips — OpenAI says these will allow it to stay a step ahead in functionality. It also has good prospects in the robotics arena.

But Nvidia is a tricky stock to value. Though some retail investors seem to have seen this week's fall as a buying opportunity, others clearly deemed it a good time to pocket gains.

Hard questions will now be asked of "hyperscalers" — Microsoft, Meta, Alphabet (Google) and Amazon — which have been in a race to lead in AI. They spent around $240bn last year on capital investment. Shareholders will be concerned about how this capital has been allocated/spaffed.

OpenAI says DeepSeek may have taken a free ride on its work, but insists it is still ahead in the race. Microsoft suggests cheaper AI means lots more of it, which will be good for it overall. However, both companies' chief executives are up to their ears in past capital investment that they will need to justify. You might feel that "they would say this, wouldn't they".

But running to cash and bonds is not your only option if you are reducing exposure to AI risk. Many equity analysts have noted the relatively poor performance of shares in European and Asian companies, as well as US smaller companies. I see similarities with 2000, when old-fashioned stocks looked cheap. It might soon be catch-up time.

A new source of inexpensive AI might accelerate the spread of this new technology, boosting lots more companies — new and old. As long as the platform remains open to developers, applications will emerge for a range of sectors and services. If cheaper AI leads to more AI this should be particularly good for AI consultants. And also for the cyber security companies that defend your AI data.

As the DeepSeek story took root, President Trump was basking in the glory of his inauguration. The main technology announcement he made was the launch of Stargate — a good Hollywood name for a project. SoftBank, OpenAI, Oracle and others have pledged to back the $500bn project to build AI infrastructure in the US. Details were scant, but the participants no longer look like the visionaries they claimed to be.

We knew Trump's second term would throw unexpected challenges at investors. DeepSeek is a reminder that the rest of the world can also produce surprises. But if these are innovations that make the world a better place I am not complaining.

In 2000, investors did well to sell all tech stocks. There are similarities today, but the turn of the millennium was a moment of excess greed among investors. That seems more evident in the bitcoin community — at least in equities we have valuations, however stretched. The shares of the market leaders of 2000 — Vodafone, Nokia, Time Warner — were on daft valuations, far beyond the Magnificent Seven's today.

I was always taught that stocks that go up like a rocket tend to fall like a stick. But I was also told to run my winners. Not helpful, I know! But if you think we are nearing the top for the Magnificent Seven you can start moving money elsewhere. Better to leave early than late. The good news is there are plenty of other places you can put it.

Simon Edelsten is chair of the investment committee at Goshawk Asset Management, which owns shares in Nvidia, Broadcom, Microsoft, Meta, Alphabet, Amazon and Oracle

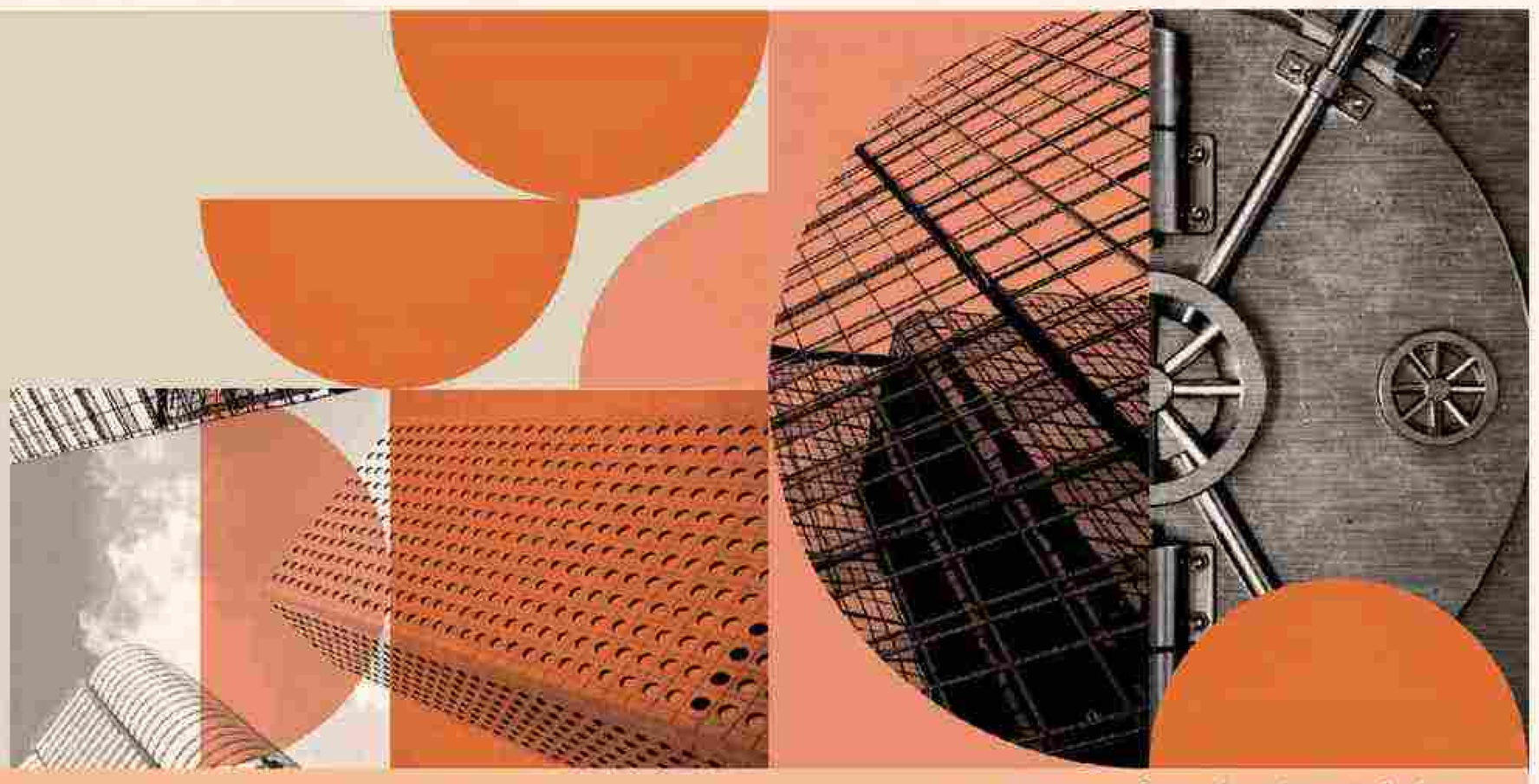


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Is heritage listing fit for purpose?

In a matrix of climate, housing and energy crises, managing the UK's aged housing stock grows ever more complex. How can we protect the past while meeting the needs of the future? By *Sam Johnson-Schlee*

I live in a Grade II-listed house in a historically important, but somewhat down-at-heel town on the UK's east coast. I love it; it has sash windows, a little cast-iron boot scraper set into the wall next to the front door, and someone's name scratched on to the rear window in a 19th-century cursive. But it is hard to keep warm, and when we first moved in the roof leaked. Living in a heritage property means a responsibility to look after a piece of architectural history. But it's a privilege that occasionally feels like a Kafkaesque nightmare.

We had to apply for permission to overhaul our leaky roof. The local heritage officer initially suggested that repairs would not be permitted, as our home would no longer be in keeping with the rest of the terrace: presumably because it would *not* be leaking. Thankfully, the local planning officer overruled, seeing that repairs would help keep the house standing.

Today, as the country's housing, energy and climate crises reshape the way we inhabit and think about properties, the question of how to manage the country's historic buildings is more complex than ever. What does conservation mean in a matrix of crises? And how do we balance responsibility for the past with the needs of the future?

Britain has the oldest housing stock in Europe. In England alone, around 20 per cent of all housing was built before 1919, and more than 400,000 buildings are on a protected conservation list due to their architectural and historical significance. While housing on this list makes up only about 2 per cent of its housing stock, 2.8mn homes are within conservation areas with separate, additional rules for how to look after them. For many, it can be hard to make often urgently needed changes to their home.

And they are needed. A 2020 survey by Tado found that a UK home with an indoor temperature of 20C and an outside temperature of 0C loses on average 3C after five hours, three times more than the average German home. Reliance on gas boilers not only makes homeowners particularly sensitive to price spikes or supply interruptions, but makes meeting the UK's 2050 net zero climate targets very challenging.

The system of "listing" buildings in the UK was started by the government during the second world war, so that churches and other important, mostly pre-1750, buildings could be monitored for damage. The list was drawn up by 300 architects. In 1947, the Town and Country Planning Act gave statutory power to the list. The late 1960s saw its first survey completed, and then another in the 1980s. Today, government body Historic England's listed buildings can be Grade II, II* or I, with Grade I designating a building "of exceptional interest". Inclusions range from landmarks such as London Bridge to a 19th-century urinal in Westminster.

But beyond these more systematic efforts, the expansion and management of what counts as a heritage building has been more piecemeal. In 2019, Historic England published a report by Matthew Saunders, former secretary of the Ancient Monuments Society, who had been commissioned to review the system. He acknowledged the "vital role of listing in protecting this country's architectural heritage" but described the uneven coverage and detail in the listings in terms of geography, architectural style and time period. "Examples of the deficiencies are legion," he wrote.

So what purpose does listing serve today? And who decides whether a building should be protected? And what does "protected" mean?

Ian Morrison, the director of policy and evidence at Historic England, emphasises that the body is not about preservation but conservation: "It is about making sure we manage change sensitively." The body makes decisions about which buildings are added to the list. But the final decision lies with the secretary of state. A common misconception is that Historic England approves or denies applications for improvements or repairs; this is in the hands of local planning authorities: bodies that are increasingly under-resourced.

Historic England's own survey of local authorities in a 2024 report reveals the extent of the resourcing crisis: between 2006 and 2018 the number of archaeologists and conservation specialists working for local authorities decreased by 35 per cent, spending on heritage-related development control by 57 per cent.

While for some, owning a listed building can seem like a nightmare of bureaucracy and expense, for others it carries a cultural cachet. There is a healthy market for architecturally important and historical houses, although in most cases both purchase and maintenance come with a premium. Academic and architecture critic Matthew Lloyd Roberts described the dilemma as simply a question of "How much money are you going to spend to improve the comfort and retain the aesthetics of your listed house?"

"Having a listed status doesn't put buyers off," argues Georgia Grunfeld, acting head of appraisals for specialist estate agencies The Modern House and Inigo. Opportunities for sensitive renovations can be a selling point: "These houses are often appreciated for lower carbon footprint repairs too," says Grunfeld. "Vernacular building materials, like traditional lime render and paint, wool insulation etc, can often be sourced in surprising proximity."

In the context of both the climate and housing crises, there are some bigger questions to ask about the importance of

Who decides whether a building should be protected? And what does 'protected' mean?

conservation. While the number of listed houses is relatively small, it draws attention to the wider value of reusing and adapting existing buildings.

The best way to conserve historic buildings is to adapt them and keep them in use, says Rachael Owens from the National Retrofit Hub: "The risk is that buildings fall into a state of disrepair and they then need even more work doing to them . . . [but] if we don't do this work, people won't be able to live in these buildings." Most listed houses are maintained by their occupiers rather than heritage bodies: Morrison says that Historic England is trying to avoid "an environment whereby it is too difficult for people, then historic buildings become less attractive. Obsolescence is the thing we need to avoid the most."

In February last year, 59 per cent of local authorities told Historic England they were seeing an increase in retrofit casework relating to historic buildings in the past year. In a separate survey, more than half of people living in historic buildings told Historic England they were planning a project to adapt their home to improve energy efficiency in the future. Historic England has provided the public with resources intended to make this process easier on the Your Home section of its website. It makes the case that if "properly designed and maintained", heritage buildings can provide better energy efficiency than many would expect, because they are "designed to work with their environment".

There is much innovative work being done to adapt historic buildings for the present day. Two of the winners of Architects' Journal's 2024 Retrofit & Reuse Awards stand out. Led by specialist firm SPASE Design, Grade I-listed Athelhampton House was turned from a leaky kerosene and oil-fuelled stately home into a building with zero energy bills. Sensitively integrated breathable insulation in the floors and ceilings helped, but most was achieved through the installation of air-source heat

Continued on page 2

Illustration by Sarah Hanson



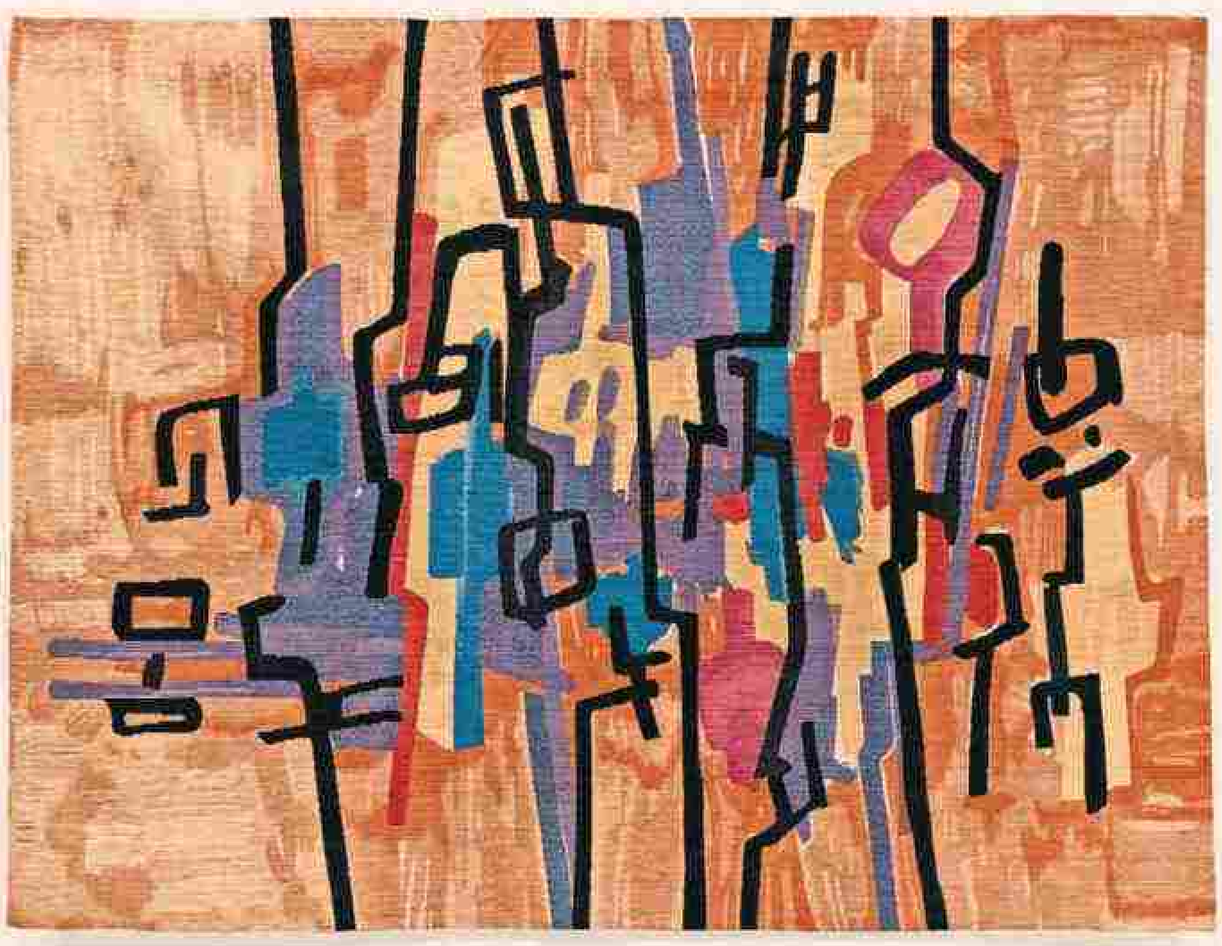
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Crest of a weave



Craft | Today's tapestry makers are revelling in emphatic colours and non-reflective yarns that 'absorb the gaze' and create worlds of their own, writes *Emma Crichton-Miller*

Sadler's Wells East, a new dance centre for the UK in London's Queen Elizabeth Olympic Park, opens its doors next month after much anticipation. Architects O'Donnell and Tuomey have created a tactile brick building, fitted out with wood and glazed ceramics, and hung with a neon entrance sign. But step inside and arguably the most impressive details are the two magnificent tapestries hanging either side of the central atrium.

Titled "The In Breath" and "The Out Breath", they feature a vibrant woven pattern on a deep black background — hints of figures through an archway open out on one of them, while a rippling coloured sun is on the other. They fill the space with warmth and movement.

"I felt these curtain walls deserved a tapestry," says the Irish artist behind the pieces, Eva Rothschild. She was inspired by John Piper's tapestries in Chichester Cathedral and Graham Sutherland's spectacular tapestry dominating the north end of the new Coventry Cathedral. "Tapestries have warmed, softened and humanised our communal spaces throughout history," she says. Many contemporary artists and makers are in agreement and are creating works that are reframing the medium.

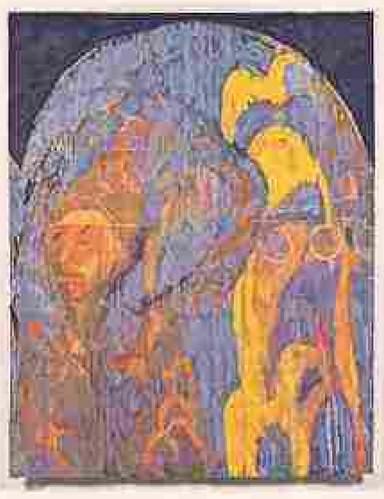
'Tapestries have warmed, softened and humanised our communal spaces through history'

Rothschild created her pieces with the Tapestry Studio at West Dean College of Arts and Conservation. In 2016, she had been the first artist to benefit from their open call and had created "The Fallowfield" (2018), now in the collection of the Tate. Her own gallery, Modern Art, had funded a further project, "Rings of Saturn" (2019), and through this, she had both developed her own proprietary colours — the vibrant red, bright green, purplish blue and emphatic egg-yolk yellow seen in the Sadler's Wells tapestries — and chosen for the warp and much of the background a profound black. She loves that wool is non-reflective. "It completely absorbs the gaze, so that it creates a world of its own."

These are the largest tapestries that West Dean College, one of only two professional tapestry studios in the UK and known for its collaborations with artists including Howard Hodgkin, Tracey Emin and Martin Creed, has ever made, says its studio leader Philip Sanderson.

In the early years of the studio, from 1976 through the 1980s, their primary clients were large corporations seeking to soften their monolithic steel, concrete and glass headquarters. Le Corbusier, the founding Modernist architect, had long seen the potential for tapestries — "nomadic murals", as he called them — to work amicably with modern architecture. But more recently, artists themselves have led the trend.

Sanderson has seen an upsurge of interest in tapestry from both collectors and makers; and there are plenty of places to appreciate it in the coming months. White Cube gallery often showcases tapestry, and a number of pieces by the late artist Etel Adnan, who worked with the renowned Pinton tapestry mill in Aubusson, France, are on show in its New York space in the exhibition *Etel Adnan: This Beautiful Light* until March 1.



A tapestry by another of the gallery's represented artists, Michael Armitage's "John Barry, O Kelly, Sonny and Richard Moore ('Everyday Heroes') 2022", also woven at West Dean, was recently acquired by the National Portrait Gallery. Liverpool-born artist Chila Burman has designed a tapestry for her solo show at Manchester's Imperial War Museum North, on display until August 31.



Meanwhile, as part of her solo show at South London Gallery (until May 11), Christina Kimeze, winner of the 2022 Denis Mahon Award, will include a tapestry. This was woven by Dovecot Studios, in Edinburgh, which has been creating artist-led tapestries since 1912.

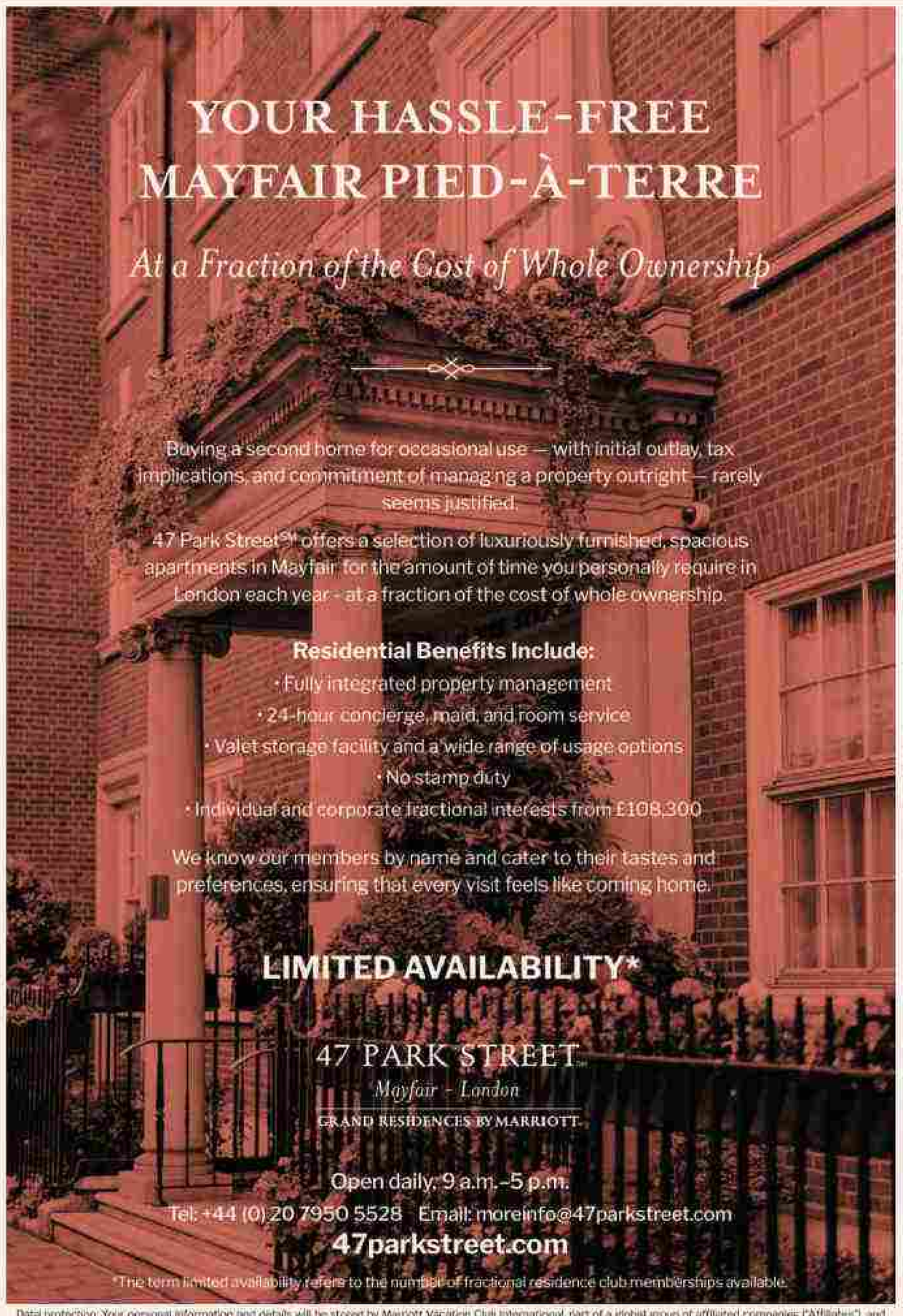
(Clockwise from main) 'Été en Fête', 2022, by Etel Adnan, at White Cube, New York; 'John Barry, O Kelly, Sonny and Richard Moore ("Everyday Heroes") 2022' by Michael Armitage, at the National Portrait Gallery; 'Blue Door' 2025, by Christina Kimeze; Eva Rothschild with 'The Out Breath' at Sadler's Wells East — Thomas Lannes/White Cube/AGAGP, Paris and DACS, London 2025; Theo Christelis/White Cube. Courtesy the artist and ABCollection/Photo: John McKenzie; Rich Lakey/ArenaPAL

Director Celia Joicey explains that after almost collapsing at the end of the 1990s, the studios were rescued by philanthropists Alastair and Elizabeth Salvesen, who were determined "to keep the weavers working". In 2008, Dovecot opened new studios in an old Victorian bath house, and is now the biggest tapestry studio in the UK, operating high-warp looms in the Arts and Crafts tradition of William Morris rather than the Renaissance-style, low-warp looms of the famous older Gobelins and Aubusson centres in France.

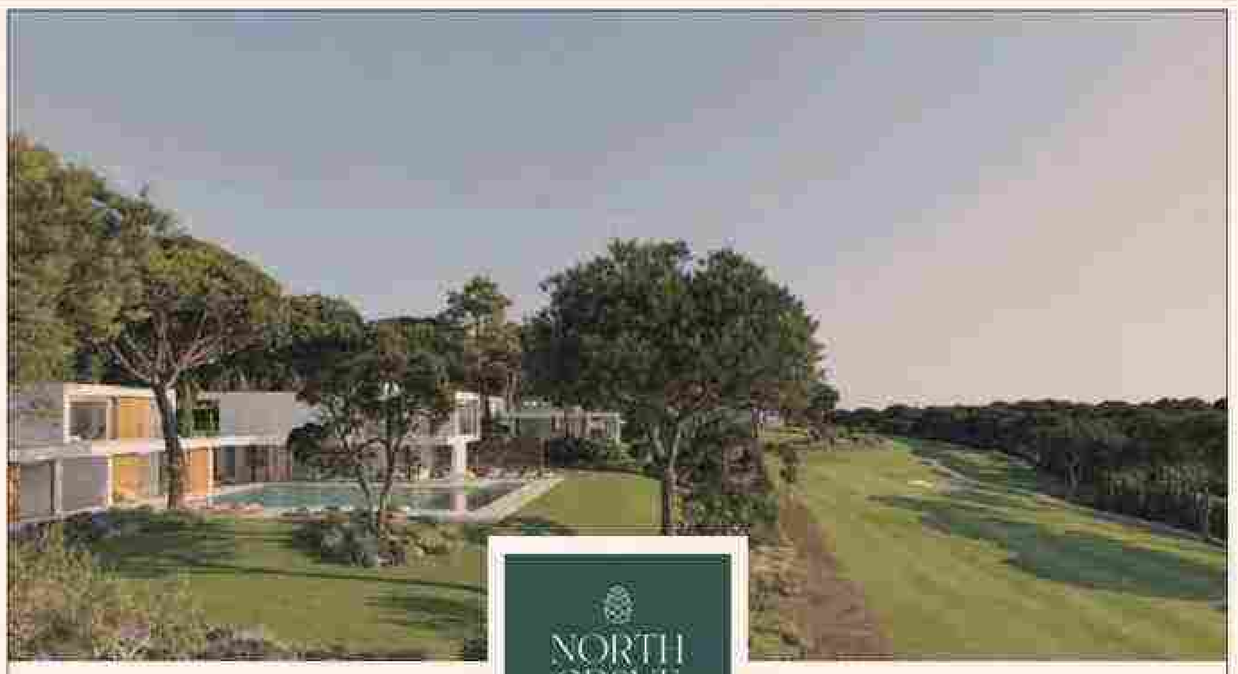
Commissions come from both private and public institutions (such as the RB Kitaj and Patrick Caulfield tapestries for the British Library, in 1996-97 and 2005 respectively, and the recent Royal Museums Greenwich collaboration with Alberta Whittle), philanthropists and artists. Last year Dovecot collaborated with Rachel Maclean and Tania Kovats, among others, with Maclean's piece created for the Paris Olympics. The studio has just warped the loom for a major commission with artist Hurvin Anderson for Lincoln College Oxford.

Joicey traces the resurgence of interest in tapestry back to 2017 and the exhibition of the monumental piece "The Caged Bird's Song" by Chris Ofili at London's National Gallery. Created with the support of The Clothworkers' Company, the idea that "a contemporary tapestry made by a contemporary studio in collaboration with a contemporary artist should be shown in this prestigious central London venue" was a game-changer.

This new enthusiasm, among artists and audiences alike, is driving a vibrant renaissance.



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House&Home

Head spaces

Interiors | David Lynch pulled us into the subconscious with rooms that will haunt us forever. By *Edwin Heathcote*







(Clockwise from main) Ray Wise and Kyle MacLachlan in the Red Room, in the second episode of the third 'Twin Peaks' season, May 2017; Lynch used his own strange, almost Brutalist house in 1997's 'Lost Highway'; 'A Thinking Room', one of Lynch's final works, at Milan's Salone del Mobile 2024; a still from 'Eraserhead' (1977) — Suzanne Tenner/Showtime/Kobal/Shutterstock; Rory Kay/Alamy; Paolo Rosa; Everett/Shutterstock

I'm not sure many rational designers would set out to emulate, or even to echo the interiors in David Lynch's films. These are rooms that haunt us: the chevron carpets, the red velvet curtains, the peeling wallpaper suggesting that our environment is somehow theatrical, temporary, a dream — an expression of the subconscious.

The director, who died on January 15, worked with production designers, but he conceived of these rooms as spaces with every bit as much character as the actors. The folksy, wooden interiors of TV series *Twin Peaks*, which first aired in 1990, were contrasted with red-velvet-lined lobbies and endless corridors — settings for scenes that saw dream sequences leaching into reality.

His unsettling, uncanny use of space has been a huge part of what made his movies so memorable. Lynch — a long term practitioner of transcendental meditation — used interiors and set design to bring to the screen a vision of the psyche. The Red Room in *Twin Peaks*, with its black-and-white zigzag floors, scarlet curtains and Venus de Milo, is a disorienting space that has the potential to provide meaning — yet, as the director did himself, refuses to offer clarity.

His early films delivered a monochrome shock, a dark world of shadows and industrial noise, simultaneously Victorian and post-apocalyptic. Any of us who watched *Eraserhead* (1977) at a late-night screening with sticky carpets and fraying seats will have been a little scarred by Henry's apartment as he struggles with the arrival of an alien baby: a place with the look of a shabby 1930s hotel, its surfaces bubbling with glue and decay, its radiator harbouring a cheese-faced miniature cabaret singer in its sweaty recesses. Here too are the zigzag floors that became a recurrent motif, always an indicator of a half-dream. Postmodernism from a future gone bad; a dark retro-Deco stripped of glamour.



In *The Elephant Man* (1980), based on the life of Joseph Merrick, Lynch brought that sensibility to London, creating a shadowy city of smoke and danger, barely illuminated by hissing gaslights. Then came colour. From *Blue Velvet* (1986) to *Mulholland Drive* (2001) via *Twin Peaks* came the vivid, lipstick-scarlet curtains, those black and white floors, interiors seen from a wardrobe — the hint of the viewer's voyeurism reflected on screen. The domestic interior was transformed, as Hitchcock had done in *Rear Window*, into a peep show.

Just as neo-noir *Blue Velvet* — starring Dennis Hopper and Isabella Rossellini — kicks off in a suburban demi-paradise, conceived as a place of plenty and perfection, *Twin Peaks* had its 1960s diner, all cherry pie and hot coffee. But Lynch created a brutal contrast between the twee, nostalgic settings and the dark underbelly. White picket fences and roses are the backdrop to the discovery of a severed ear. Some of the most unsettling scenes are simply lingering shots of a ceiling fan on a nondescript landing.

So many of these interiors seemed to date from an era that was postwar but not yet mid-century, weighed down with heavy leather club chairs, brown doors, thick layers of overpainting and wall sconces. The rooms in his 2002 series of sinister shorts, *Rabbits*, are dated, dark, windowless — a subversion of the sitcom living room. It's *Friends*, but a nightmare, evoking a claustrophobic and intense interiority.

> 'There is something so cosmically magical about curtains opening and revealing a new world'

And then there's LA. *Mulholland Drive*, which follows an aspiring actress played by Naomi Watts, seems to depict the Hollywood dream: the fantasy and the seedy reality, but you are never quite sure which is which. In architectural terms, LA has everything, from Snow White cottages to Mediterranean revival, Modernist monsters to suburban ranch houses. Lynch employed it all. He even used his own strange, concrete, almost-Brutalist 1963 house in 1997's *Lost Highway*, whose narrative structure he likened to a "psychogenic fugue". It's a house that looks so odd it must surely, you'd think, have been built as a movie set.

In a move that would seem to be the reverse, the director designed spaces in the real world. The Silencio nightclub in Paris, opened in 2011, was inspired by the fictional version in *Mulholland Drive*. It looked even more surreal: infinite mirrors, fetish finishes, neons, eerie glows, skeletal trees in a smoking room and, of course, red velvet curtains.

Last year, he designed one of his final works, "A Thinking Room" at Milan's Salone del Mobile — a dark space with a throne-like chair attached to a tangle of golden cables above, like slender searchlight beams. And, again, curtains.

"I don't know where it came from, but I love curtains," Lynch — famously reluctant to explain his work — said in 2014. "There is something so incredibly cosmically magical about curtains opening and revealing a new world. It resonates on a deep level with people."

It is in our own heads that Lynch's incredible sense of the crepuscular and the creepy lingers most strongly; in the notion that our homes are contiguous with our subconscious and whatever is hiding there. His spaces are those in which curtains are always there, and yet we sense we should probably never look behind them.

Edwin Heathcote is the FT's design and architecture critic

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House&Home



Amazing graze

Heritage | A handsome herd of White Park cattle has coaxed Arne Maynard and William Collinson's historic Welsh pastureland back to life – and seen an ecosystem evolve. By *Clare Coulson*

Garden designer Arne Maynard and his partner William Collinson acquired their Monmouthshire home, Allt y bela, from the Spitalfields Trust in 2008, and with it came a 4-acre plot that circled the medieval house. It was enough space to create a jewel-box garden studded with clipped yew and beech topiary, exquisite borders, an ornamental kitchen garden and swaths of meadows that were gently and patiently coaxed back from scrubland.

But the 15th-century house, which sits in a deep basin with pasture and woodland rising up around it, had originally been part of a much larger estate of 160 acres. In 2022 this "lost" land — the largest single Site of Special Scientific Interest (SSSI) in Wales — became available to buy. "It always felt like we were connected to the landscape," says Maynard. "But bringing the land back in ownership with the house — all of a sudden, the house had a completely different feel and a different purpose. It was like a divorce that we reunited."

The land had been largely unmanaged, which meant an enormous variety of wild flowers had flourished — but so too had pernicious weeds. "Most of the land was covered with brambles and bracken, some of it to chest height," explains Collinson, who first had to repeatedly flail the land to clear it, a process they had already carried out on the wild-flower meadows. "The pastures regenerated quickly, and the bank of wild flowers in those areas which we've uncovered has been fantastic. We have huge quantities of orchids. They're just everywhere. You can't step on to the pastures without standing on an orchid."

Part of the management plan set out by Natural Resources Wales — who oversee the SSSI designation — was that the land should be grazed properly, and that provided Collinson with the opportunity to realise a long-held dream. He's descended from a long line of farmers — his maternal ancestors had farmed a block of land on the Salisbury levels since the Doomsday.



Garden designer Arne Maynard (left) and William Collinson at Allt y bela in Monmouthshire, Wales, where they live in a 15th-century house acquired from the Spitalfields Trust

Photographed for the FT by Joel Davies

They acquired a small herd of White Park cattle in 2022. It's an ancient breed — its distinctive head, with long elegant horns, has been the logo of the Rare Breeds Survival Trust since 1973, when there were only 60 breeding females left; there are some 750 today. It's considered to be the most ancient British breed, descended from the country's original wild white cattle and prized for its hardy nature. For the novice farmer, this was a key consideration, since the herd can happily live outside year round.

But the White Park is also valued for its excellent foraging abilities and gentle grazing, making it the perfect breed for coaxing back the land, clearing overgrown patches and opening it up in "a completely natural way". Once the process of clearing patches begins, the cows then go in and forage to fully clear it, exposing the soil and, at the same time, exposing the seed bank, allowing native wild flowers to grow and kick-starting a regenerative cycle.



'The sense of wellbeing that comes from managing the herd is something that money can't buy'

"It's fantastic to see how the land is improving, to see how the land has become different during the period of our ownership. You can see quite clearly how our pasture is different," says Maynard. The grasses on their land are all native, in contrast with modern hybrid grasses used on many nearby farms. "Pastures owned by farmers who farm more intensively and fertilise look completely different. Ours feels medieval."

As well as a sea of orchids, including the common spotted orchid and southern marsh orchid, the land is now rich with wild flowers including cardamine, knapweed, cranesbills, yarrow, vetch, buttercups, sorrel and betony. Abundant birdlife has followed, including nightingales in summer.



The White Park herd roams between pasture and woodland, allowing it to self-medicate with herbs and wild flowers, and to eat bark from hazel and fruit trees. "In the old days, farmers used to cut green branches to feed the cattle and they would graze off all the lower leaves," says Maynard. "They might kill off the young bark of hazel, but there's this whole ecosystem that starts to happen."

Conservation grazing has grown substantially over the past 15 to 20 years, says Christopher Price, chief executive of the Rare Breeds Survival Trust. In the charity's latest watchlist rare breeds including Dartmoor sheep, New Forest ponies, saddleback pigs and native goat breeds are among those increasing in number. It's a welcome return. "The landscapes and habitats we cherish were largely created by wild or semi-feral grazing animals," says Price.

Maynard and Collinson currently have 13 cows. Caring for the herd has, says Collinson, been a daily adventure, everything from dealing with the grisly fallout from a broken horn ("shocking in the extreme") to the awe of the first calves being born last spring. The cows take themselves off to find a hollow or dense copse where they give birth alone, before calling for the rest of the herd, who then form a protective crèche for the new addition.

"Every day I'm learning something new," he adds. "They are quite docile, quite friendly, but terribly strong. You can rub their noses, and they'll eat out of your hand. And I know them well, but they're also wilful. They won't do what they don't want to do."

He'd like to slowly expand the herd to perhaps 15 or 20 in total. "It wouldn't be enough to make any kind of a living from, but the sense of wellbeing that comes from managing them is fantastic. Something that money can't buy."

Tales of the unexpected

Stockholm Design Week has a fresh injection of attitude. By *Jessica Salter*

We like to say that we're the Scandinavian design authority," says Daniel Heckscher, the new director of Stockholm Furniture Fair, established in 1951, and its newer sibling, Stockholm Design Week, founded in 2002. "In Sweden, we have so many design areas — it's not just limited to furniture. We want to show the breadth of all that talent."

'In Sweden, design is not just limited to furniture. We want to show the breadth of all that talent'

Next week more than 300 exhibitors will showcase a mix of new and heritage products across venues ranging from a disused atomic bunker to the 19th-century auction house Bukowskis to the private apartment of a collector.

There will be a strong nod to Sweden's design history. An exhibition at 20th-century Scandinavian furniture gallery Jackson Design takes a striking 1950s blue carpet by textile designer Astrid Sampe as its starting point. Arranged around it will be objects from the Jackson collection: "pieces that, while crafted by familiar names, are perhaps lesser known or unexpected", says curator Lieke Penders.

Collaborations between heritage brands and contemporary designers will be a key theme. Scottish born, Sweden-based designer David Taylor will exhibit 25 aluminium works at Bukowskis, while Swedish designer Monica Förster has created huge floor pillows with Kasthall, one of the country's oldest rug manufacturers. Alexander Lervik drew inspiration from Art Deco and Bauhaus for his new collection with furniture maker Johanson Design, using AI to create 3D models.

There is also a blending of disciplines. "The fashion and design worlds are finally coming together," Heckscher says, noting the exhibition of clothes and furniture made by Swedish fashion designer Angelo da Silveira and sustainable textile company Ludvig Svensson. British multidisciplinary designer Faye Toogood will be the fair's guest of honour. "Faye is a crossover designer, working in interiors, in furniture, in fashion. She's the perfect person to communicate our goal," Heckscher says.

Sustainability is a priority. Heckscher, a designer and interior architect by training, is excited by the new upholstery by furniture brand Verk, "the first upholstery produced in Sweden with Swedish wool in 60 years", as well as screws made from Swedish raw materials. "New solutions" by other emerging designers include lamps printed from corn starch, and food packaging and vases made from waste wood.

Heckscher only took over the directorship in August but has grand plans as the fair approaches its 75th anniversary next year. "Our aim isn't to be the biggest furniture fair in the world, but certainly the best," he says.

Stockholm Design Week, February 3-9, stockholmdesignweek.com; Stockholm Furniture Fair, Feb 4-8, stockholmfurniturefair.se

Highlights at the Scandi design hotspot

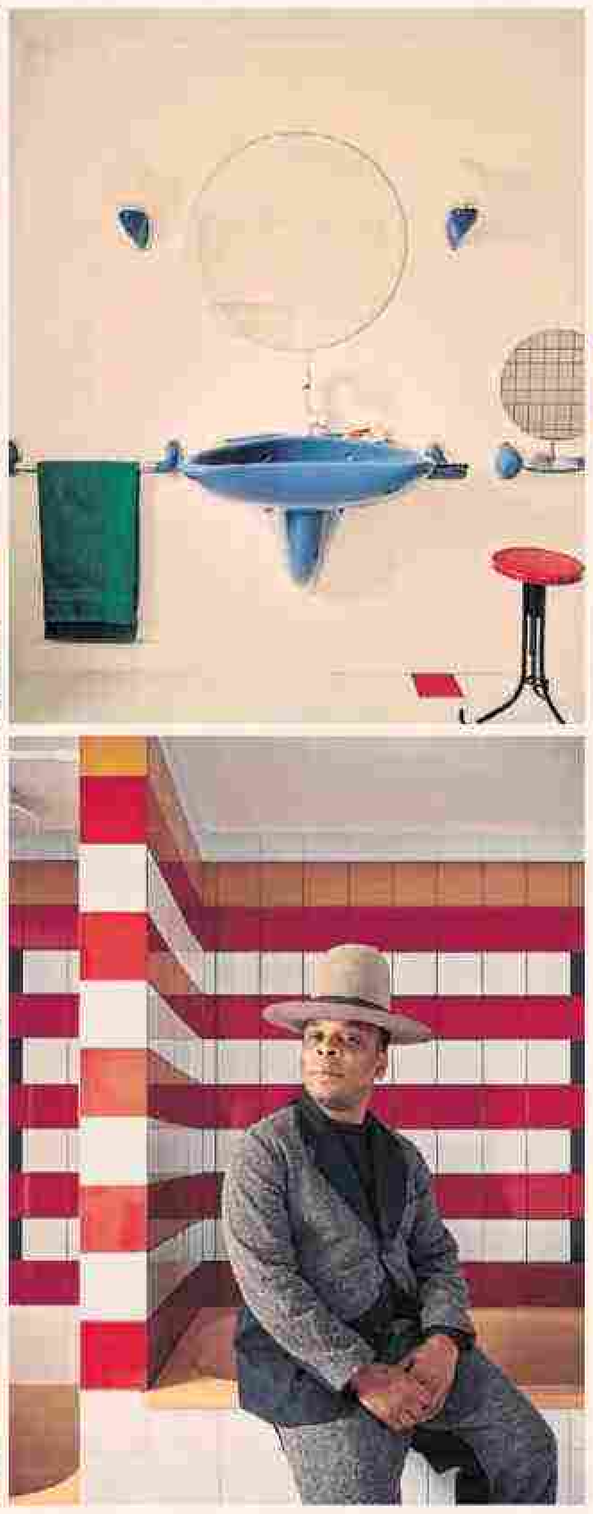


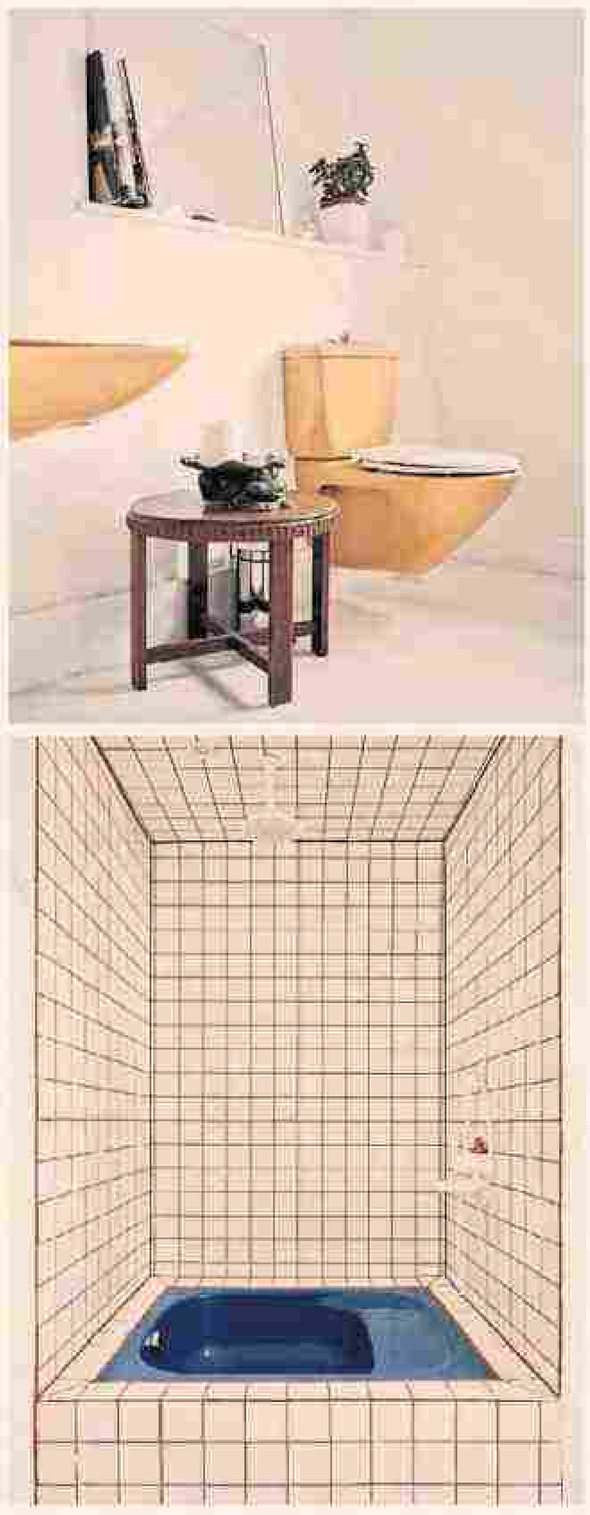
(Clockwise from above) Pillows by Monica Förster with Kasthall; HidaHida chair by Kengo Kuma for Gärsnäs; Craft Punk vases by Kajsa Willner; Pavot bowl by Colin King for Audo Copenhagen; Soft Serve portable lamp by studio Crème Atelier; floor clock by David Taylor

House & Home

Interiors | Avocado green sink, retro blue loo or custard yellow bidet, anyone? 1950s, 60s and 70s pieces are in demand. By *Mark C O'Flaherty*







Fittings in the bathrooms in the home of Bayode Oduwole (bottom row, middle) and Claire Pringle are by Luigi Colani for Villeroy & Boch; (below from left) David/Nicolas kept the 1950s Gio Ponti curved bathtub and sinks in a recent Milan refurbishment; Michelle Kelly's bathroom in the Rose hotel in Deal, UK

Photographed for the FT by Jasper Fry, Sara-Maria Dalene Day Photography

Vintage bathroom sink drama

When Bayode Oduwole and Claire Pringle, the couple behind modern made-to-measure tailor Pokit, moved from their home in Margate to Dover in 2022, they wanted a different kind of bathroom renovation. One that *wouldn't* be new. Instead, they installed an ergonomic retro-futurist blue toilet and set of basins designed by Luigi Colani for Villeroy & Boch in the 1970s. "Bathrooms are designed to give maximum visual pleasure for the shortest time during the day," says Pringle. "Many people try to recreate a spa in their home, with marble tiles or Japanese wood; we hate that."

The bathroom, with contrasting chequered tiling, was inspired by the Art Deco silhouettes of Hanger Lane Tube station in London. "The Colani pieces are rare," says Oduwole. "I saw a double sink on sale for more than £13,000 from Pamono.co.uk recently. I bought ours from eBay in Germany for next to nothing. Someone just wanted to get rid of them; the only major expense was shipping them to the UK and the hassle of the Brexit red tape."

The bathrooms throughout the house have been tackled in a similar manner. The effort was worth it. While some contemporary designers — including Ross Lovegrove and Samuel Ross — have dabbled in provocative shapes and wild Pantone colour codes for new bathrooms, originals from the 1950s to the 1970s have an authenticity and cool that transcends avocado kitsch.

There are some brightly coloured, big personality bathroom treasures available from salvage specialists in Europe but, as Oduwole notes, scarcity, provenance and haulage can make them a luxury purchase. Stefano Urbinati is director of Marco Polo Italia, based in Montelabbate. He works with numerous interior designers, most often supplying pieces designed by Gio Ponti for Ideal Standard in 1954.

A trapezoidal Oneline washbasin in gelato green, yellow or blue can sell online for in excess of $2,500 (plus more than $700 for delivery to the UK). "The trend for coloured vintage bathroom fixtures has grown in the past few years," says Urbinati. "The Ponti pieces are always highly sought after." The late designer's ceramics are the holy grail of vintage sanitary ware. His curved pink bathtub and shower fittings were left untouched when French-Lebanese design studio David/Nicolas recently refurbished a 1920s apartment in Milan that Ponti had renovated in the 1950s.

Ponti, Antonia Campi for Pozzi Ginori and Achille Castiglioni "all created products in what are now rare or unobtainable colours", says interior designer Simone Fantoni. When he took on the extension of a 1950s villa in Santa Margherita Ligure, he took inspiration from the colourful details of the original structure. "It has mosaics on both the facade and the interiors, with pastel shades of turquoise, aqua green and cream," he says. It inspired him to research 1950s bathroom designs.

Fantoni bought several pieces from Urbinati, including Ponti Z from 1954 and Oneline designs made by Ideal Standard in 1966. Interior designer Alberta Saladino used similar pieces in a 2022 refurbishment in lower Salento, Presicce, and also has a collection of vintage bathroom ceramics for sale at the Esprit Nouveau gallery in Naples. "We have wonderful Ponti Z pieces," says Saladino. "But even more special is the 1900s floral sanitary ware designed by Campi, which we found in an old castle in Ivrea."





'I saw a double sink on sale for more than £13,000. I bought ours on eBay for next to nothing'

In the UK, Douglas de Paris sources 1950s and 1960s pieces in "coral pink, jade green and sky blue" for Sanitary Salvage, in Worcestershire. He has a particular interest in Barbican basins, originally made by Twyfords in the 1960s for the Brutalist arts and housing complex in London. They came in white, but also shades of pink, blue and yellow that date them as much as the space-saving shape: a vertical plane with taps fixed one above the other. "They represent a point when the cut-corner design gave way to more modern and curved styles," he says. Still, Art Deco cut-corner sinks remain the most in demand among interior designers. Sanitary Salvage has a 1930s Ideal Standard sink and pedestal in turquoise, on sale for £500.

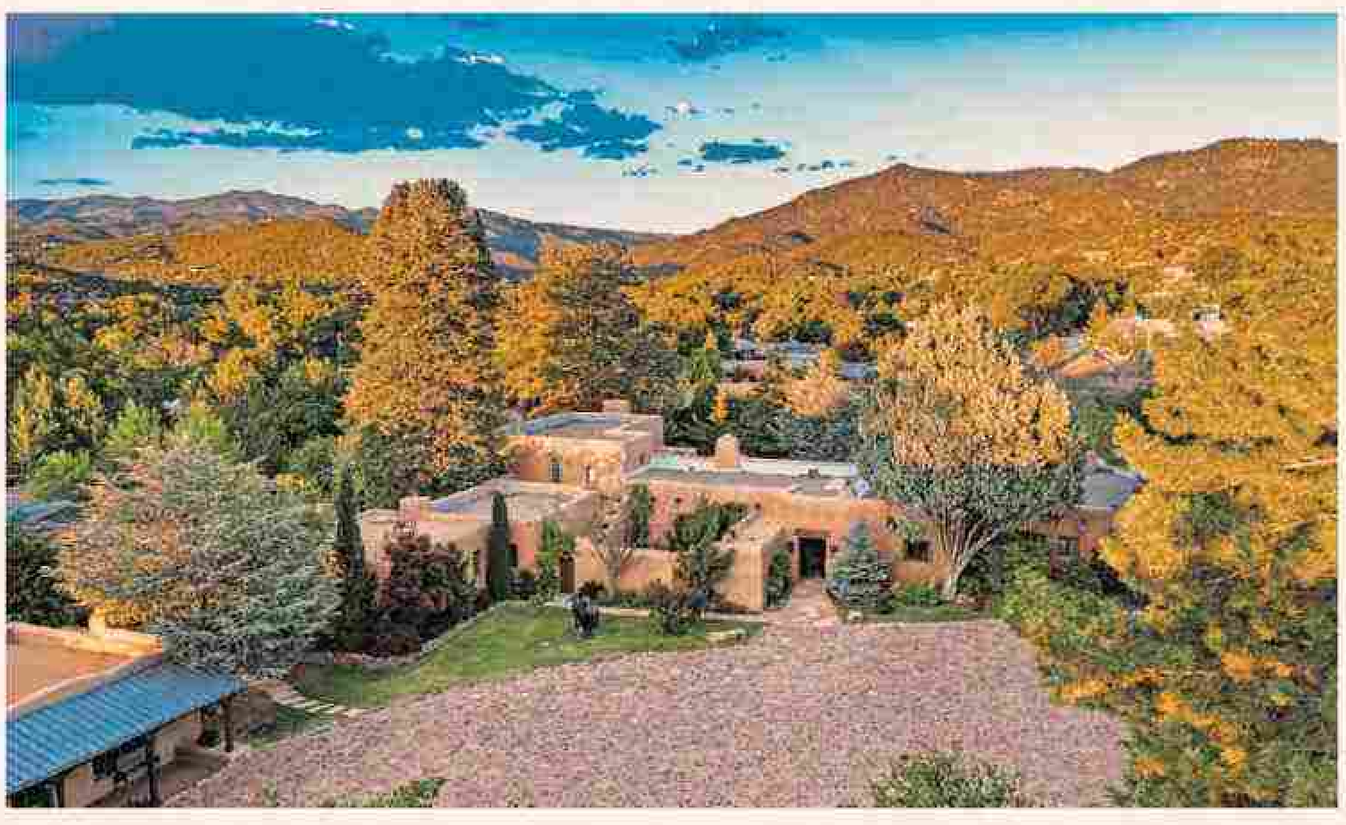
Pairing a Deco sink with modern taps provides "a new kind of balance and harmony", says London-based interior designer Michelle Kelly. While decorating the Rose hotel in Deal, she became "obsessed with finding the perfect pink sink for one rooms, and a green suite for another," she says. "I am currently looking for a floral basin for a project in Ibiza. I want it to look like it's been there for 200 years."

But there is one crucial question to ask if you go for something retro: is it compatible with modern plumbing? Dominique Fraser runs Timios Antiques, and regularly hauls architectural salvage back from France. She recently bought some brightly coloured vintage sanitary ware for her own house — but, like buying a dress without trying it on, it was a roll of the dice.

After some difficulty and great expense — and new specialist fittings from Catchpole and Rye — everything was plumbed in. But that "terribly elegant and slender" bathtub "turned out to be too narrow for my hips to actually get into, unless I am on my side," says Fraser. "So now it's a glamorous bath for my dog and children."

Hot property New Mexico

Natural beauty meets rich history in the American south-west. By *Daisy Dawnay*



▶ Historic compound, Santa Fe, $15.5mn

What An eight-bedroom Pueblo style house with more than 2 acres of grounds and views of the Sangre de Cristo mountains.
Where In the historic Camino del Monte Sol district in the south-east of Santa Fe.
Why Built in 1918, the house features original doors and windows, wooden beams and coved ceilings. Outdoors there is mature topiary, a fountain and historic casitas along winding walkways. The property is on the market for the first time in 40 years.
Who Todd Davis/Cases de Santa Fe



▲ House, Taos, $3.395mn

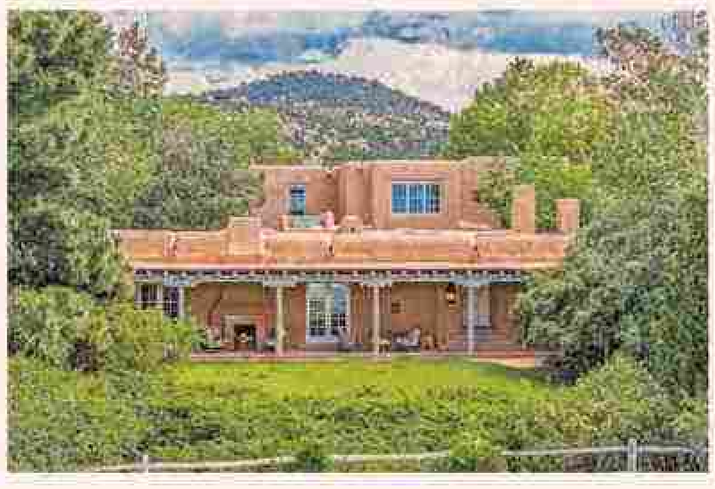
What A nine-bedroom house set within 7.48 acres of land bordering the Rio Pueblo. The 7,780 sq ft of internal space includes nine bathrooms, a bar and cocktail lounge, and adobe-style fireplaces.
Where Set against the vast landscape of the Sangre de Cristo mountains, five minutes' drive from the centre of desert city of Taos.
Why A renovated adobe home with whitewashed walls; the modern furniture and artwork can be bought with the property. The landscaped gardens include an outdoor adobe *horno*, bocce ball court, mature cottonwoods and apple trees.
Who Berkshire Hathaway Home Services New Mexico Properties



Media/Inspirer for Sotheby's International Realty

◀ House, Old Santa Fe Trail, $3.55mn

What A 6,184 sq ft, three-bedroom house with four bathrooms and an outdoor pool on 1.4 acres of land.
Where On the Old Santa Fe Trail, close to the hiking paths up Sun mountain and 10 minutes' drive from the centre of Santa Fe.
Why Renovated in 2021, the living space feels generous, with high ceilings and large windows offering views of the Jemez and Ortiz mountains. The main bedroom has its own floor, while guest suites open on to a poolside terrace.
Who Sotheby's International Realty — Santa Fe Brokerage



◀ House, Santa Fe, $9.95mn

What A Pueblo-style property with seven bedrooms and 34 acres of land, including gardens, a swimming pool, equestrian facilities and a golfing green with several tees.
Where On the Old Santa Fe Trail in the Santa Fe Foothills, with views of the Jemez Mountains.
Why The equine facilities include an eight-stall stable, open riding space, multiple paddocks, exercise arenas and more than a mile of bridle paths.
Who Forbes Global Properties