

NATIONAL

Wealthy donors step in as councils feel the pinch

Rich philanthropists are pouring more into grassroots community projects – and the government is taking notice of ‘untapped potential’

JENNIFER WILLIAMS — WIGAN

Without the youth centre in Wigan, north-west England, Sam Lee knows where he would be.

“I’d have been sat in my room, suffering with a lot of anxiety,” said the 15-year-old, as nearby children scaled the club’s climbing wall and played pool. “This place has opened up my future.”

A shift in donor trends has meant British philanthropists are increasingly keen not to simply hand out donations but instead channel their wealth into grassroots projects that support communities, according to experts.

Although there has been a 10-year decline in giving generally, according to economists, there is evidence that among millionaires it is going up. Research from Pro Bono Economics, a consultancy for the charity sector, has found that the most generous 10 per cent of high-earner donors are responsible for three quarters or more of the total value of donations of their peers.

With public finances still tight and social inequality rising, ministers are starting to notice the “untapped potential” of philanthropy. Meanwhile, those within the sector are calling for the state to take on a more formal role in it.

OnSide is one of the modern networks of youth centres being funded by patrons searching as cash-strapped councils withdraw from directly providing such facilities. The charity, which helps thousands of children across England, is rapidly expanding beyond its original roots in the north west. The concept behind it is that philanthropists provide a significant proportion of a new centre’s upfront and continuing funding, while the council contributes part of the rest and usually the land. Children pay 50p a time.

“This reflects a trend we see in the broader population regarding civic engagement, specifically the ‘civic core’”

Bill Holroyd, the Lake District-born entrepreneur who founded OnSide, said its approach was a “no-brainer”. “We have set out to prove the model works,” he said. While 760 council-run youth centres closed between 2010 and 2020, according to the YMCA, the OnSide centres are “all still open”, said Holroyd. “They’re all still thriving,” he added.

As local council services continue to fold, there are signs that the government is starting to notice. This month culture secretary Lucy Frazer attended an event organised by the philanthropic network Made in Stoke, which encourages wealthy people raised in the Staffordshire town to give to local projects.

There remains “untapped potential within our philanthropy sector”, she said, adding the government wanted to “maximise” that. “That’s why we’re actively looking at ways we can expand, enable and encourage more philanthropic activity,” she said.

Nicole Sykes, director of policy and communications at the consultancy ProBono Economics, said the culture department, the Office for Investment and sector regulator the Charity Com-



Lifeline: Youngsters at Wigan Youth Zone
Jon Super/FT

mission have begun to make the topic more of a priority. “There are signs,” she added, “that the government now thinks ‘this is important and we want to put resource into it.’”

Holroyd was inspired to set up OnSide in his 40s after selling his food services company Holroyd Meek to the distribution group Booker. A visit to a youth centre, Bolton Lads and Girls Club, inspired him to become chair of the enterprise before concluding the model could be expanded to other towns.

“Initially it was me opening my address book and asking them to support me very modestly,” he said of approaching wealthy contacts. “And it got bigger and bigger and bigger.”

Since then, OnSide has opened 13 more centres in disadvantaged areas, including three in London, with seven more in the pipeline.

Jason Stockwood, chair of the Horizon Youth Zone board in Grimsby, had already been thinking about the erasure of local institutions when he met Holroyd at a dinner around six years ago.

A self-made tech entrepreneur from the Lincolnshire port, Stockwood believes that, although capitalism had been an “aggregate” success in terms of alleviating global poverty, in his home town something had been lost.

Stockwood has helped to lead the set up of OnSide’s Grimsby centre and has also bought the town’s football club. He said any such institution had to be a partnership between private citizens and government. “There’s a real role for the state,” he said, “but we need to ensure individuals step into that – and particularly those who have had a degree of luck in their lives.”

Even so, national donation trends are mixed. Sykes pointed to a “10-year decline in people giving”, including among high earners, but “some evidence that among millionaires, it’s gone up”. That has led to a “generous core” giving “more and more”.

“This reflects a trend we often see in the broader population regarding civic engagement, specifically the ‘civic core’,

UK’s wealthy individuals increase charitable giving

Median level of giving by UK millionaires (£’000)



Number of donors is static but values have risen

Donations declared by individuals completing UK self assessments, by tax year



Sources: The Beacon Collaborative; Savanta; MillionaireVue; HM Revenue and Customs

the 9 per cent of people responsible for about 66 per cent of charitable activity.

“There’s a huge voice within the philanthropic sector saying: ‘how do you do it in a way that you don’t impose it top-down?’” said Sykes, adding youth provision is not yet a statutory government service “and it 110 per cent should be”.

While local government has been “brilliant”, often funding up to 40 per cent of the running costs of the centres in recent years, the overall picture is “too hit and miss”, he added.

For some, the youth centres have been a lifesaver. Like Sam, 19-year-old Gemma Unsworth arrived at the Wigan Youth Zone as an eight-year-old. A carer for her siblings, she was skipping lessons and struggling to concentrate.

“Without the support of this youth centre I don’t know where I’d be,” said Gemma, who was diagnosed with autism and ADHD after talking to mentors at the zone. She will soon start there as an apprentice. The centre has saved lives, she said, adding: “It’s definitely saved mine.”

Additional reporting by Janina Conboye

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Slapps

Complaints over legal tactics to deter reporting on the rise

SUZI RING — LEGAL CORRESPONDENT

Complaints to the UK legal regulator over tactics used by media lawyers to deter reporting on wealthy individuals are on the rise, according to official data that comes as new legislation to tackle the issue takes effect.

The Solicitors Regulation Authority has received 60 complaints in the past two years over the alleged use of so-called strategic lawsuits against public participation (Slapps), SRA figures shared with the Financial Times revealed.

Of those 60 complaints, 20 were made in 2023, the regulator said, adding that there were 51 active investigations into potential use of Slapps.

Scrutiny of high-profile individuals using the threat of litigation to close down journalists’ reporting has grown in recent years, particularly in relation to Russian oligarchs following Moscow’s full-scale invasion of Ukraine.

The issue has led to the first anti-Slapp law, which is included in the recently passed Economic Crime and Corporate Transparency Act. The law gives judges the power to throw out libel lawsuits related to alleged economic crime where they deem the claim is in fact being used as a Slapp.

“Up until 2022, we received very few reports of Slapps,” said Paul Philip, SRA

chief executive. “The recent spotlight on the issue, and our efforts to identify potential Slapps and encourage reporting, has seen many more reports made and enabled us to investigate a range of cases.”

The FT reported in November that Baroness Michelle Mone admitted her involvement with a controversial medical equipment company that has been sued by the government after spokespeople and lawyers for Mone denied she had any ties to the group for years.

On Sunday December 17, Mone told the BBC that she stood to gain from profits of about £60m made by PPE Medpro. She said her life had been “destroyed” by allegations about the company that supplied personal protective equipment, despite the fact that she and her husband had “only done one thing, which was lie to the press to say we weren’t involved”.

In 2020, her then lawyer told the FT he had been instructed that “any attempt to mischaracterise our client’s non-involvement in the relevant contract will be met with immediate legal action”.

Eddie Parlariorio, founder of Hanover Bond Law, who is no longer representing Mone, in November said he was bound by client confidentiality but that all of his correspondence could “in no way be considered a Slapp”.

LOEWE



Maggie Smith
Photographed by Juergen Teller

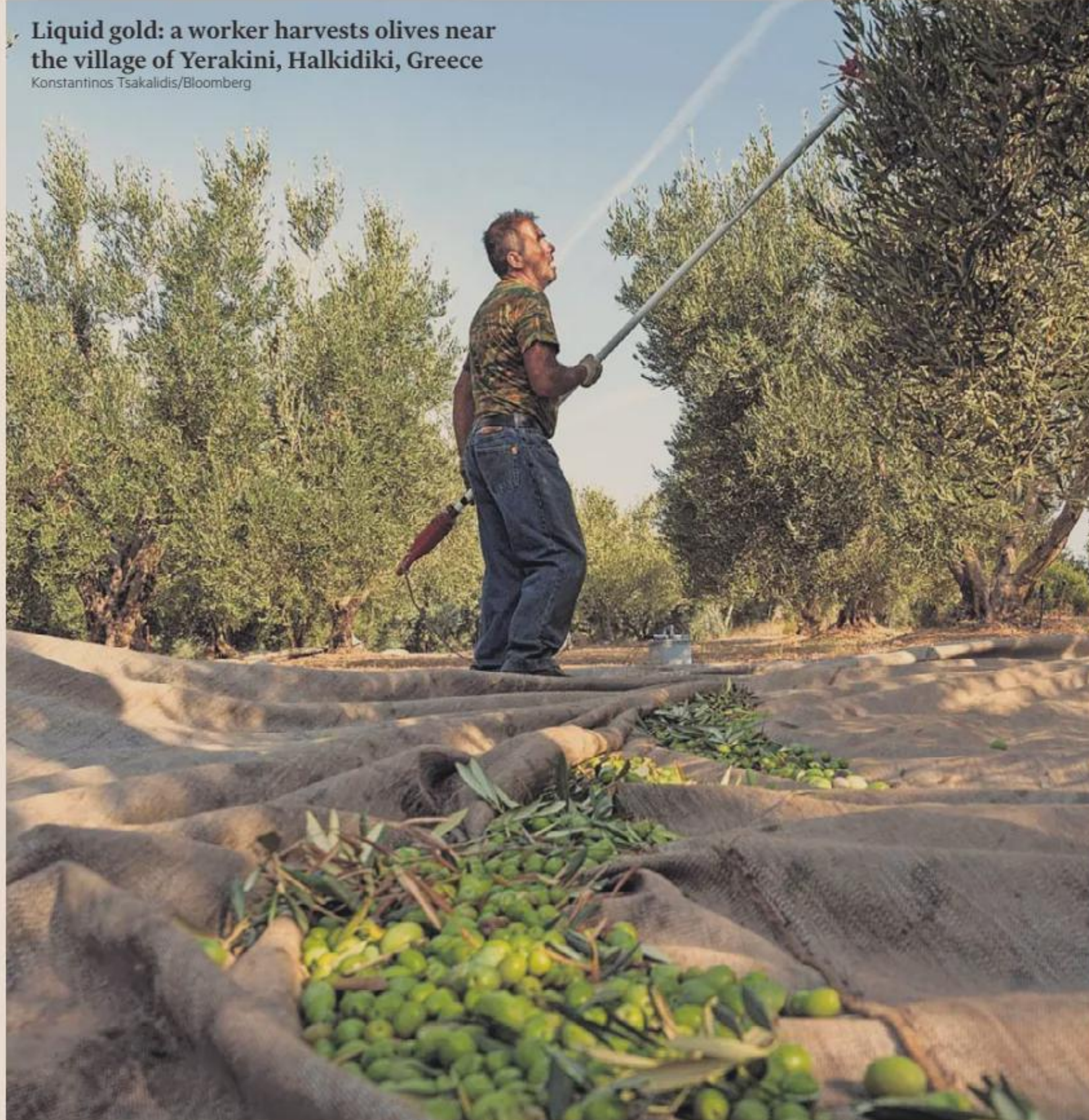
Olive oil prices have doubled over the past year

Monthly global price (€'000 per tonne)



Spain is the largest olive oil producer in the EU

Production ('000 tonnes)

Forecast production in 2023-24, estimated production in 2022-23
Sources: IMF, European CommissionLiquid gold: a worker harvests olives near the village of Yerakini, Halkidiki, Greece
Konstantinos Tsakalidis/Bloomberg

Greek olive oil producers face fires, fraud and failing harvests

Thinning output and soaring prices have focused attention on a traditional staple

ELENI VARVITSIOTI — MESSINI

In Messini, a sleepy Greek town in the south-west Peloponnese, Panagiotis Mitseas's oil mill hums with activity on an autumn afternoon. Locals bearing sacks of freshly harvested olives wait patiently for their produce to be weighed, washed, sliced and crushed.

It is a convivial scene that has been repeated in Greece for millennia. But Mitseas is not happy. "I haven't seen such a bad year in my six decades of work," said the 78-year-old miller.

Production had fallen by more than two-thirds because of unusually warm weather, he explained. "The olive trees didn't rest as they should have during the winter months," he said, grabbing a few olives from a sack. "They're dehydrated."

The impact of global warming on this staple of Greek life since ancient times extends far beyond Messini. Crop yields have fallen across the Mediterranean region over the past two years because of the weather, while farmers on the island of Rhodes were hit by the destruction of some 50,000 olive trees in forest fires during the summer.

Bulk prices of olive oil, described by Homer as "liquid gold", have soared as a result, doubling in a year to about €9,000 per tonne. That in turn has pushed up retail prices and triggered a rise in thefts of olives and olive oil, along with incidents of adulteration with cheaper products.

Mitseas said his mill was burgled; the thieves took 100 litres of oil worth hundreds of euros, for the first time in his career. Some farmers have experimented with GPS trackers concealed in plastic olives to track thefts of their crops, and supermarkets have begun fitting anti-theft mechanisms to olive oil containers as if they were bottles of whisky or expensive wine.

The climate impact and rise in prices have, however, at least prompted Greeks to consider how to extract more value from a crop that has long been taken for granted, an opportunity boosted by Greece's relatively good harvest the previous season.

Greece, the world's third-largest producer, has traditionally sold high-quality olive oil in bulk to its larger rivals Spain and Italy, who brand it and sell it on to the world's consumers. And at home, Greeks acquire most of their own household olive oil from an untaxed informal market valued at €500mn.

The crucial ingredient of Greek cuisine usually comes with scant quality control in unlabelled bottles, cans or plastic containers from relatives or friends with an olive grove. Such sales are now sometimes negotiated over social media platforms.

Emmanouil Giannoulis, president of

the National Olive Oil Interprofessional Organisation, said some olive oil was adulterated with other products, a problem likely to worsen with higher prices, and more than two-thirds of randomly sampled oil fails to meet Greek quality standards.

Even so, some 82 per cent of Greece's 300,000 tonnes of typical annual oil output is high-quality extra virgin olive oil, which is largely used not for branded Greek exports but by Italian and Spanish producers to add flavour to their own oil, according to Giorgos Economou, director-general of Sevitel, an Athens-based group of olive oil companies.

Among those who have noticed the untapped commercial potential of Greek olive oil is Yannis Bardis, a New York-based property lawyer who began importing it to the US. "I wanted to give Greek olive oil the value it deserves because I saw how others were exploiting this unique product," he said.

In 2018, he returned to Sparta, his birthplace, to build the region's biggest

'For decades we've been discussing the problems, now they're compounded by . . . climate change'

factory and a brand called Sparta Gourmet, exporting olive oil and processing Kalamata olives for eating.

Cristina Stribacu, owner of LIÁ, an award-winning premium olive oil, is another entrepreneur who wants to see Greek produce in food shops abroad.

After years of hard work with a family inheritance of 2,500 olive trees, Stribacu has managed to place her oil as a branded product on the shelves of leading stores such as the UK's Waitrose. "Greek producers prioritise immediate gains without investing in the future," she complained.

Even when prices are high, however, it is not easy to establish an export business. Spyros Papadatos, a former international football referee who once oversaw stars such as David Beckham, returned to Sparta to oversee his father's olive grove, but said he had been discouraged from investing in the bottling and export of oil by rising costs for labour, fuel and fertiliser.

Despite its prominent place in daily life, olive oil is not given the attention it deserves by Greeks, said Economou. "It's sad because for decades we've been discussing the same problems, and now they're compounded by the growing impact of climate change."

Even the entrepreneurial Bardis is uncertain about the future. "In the past, this kind of investment would be for at least three generations," he said, "but now I'm not sure how long it will last."

Middle East

Iran executes four it claims were spies 'guided by Mossad'

NERI ZILBER — TEL AVIV
NAJMEH BOZORGMHR — TEHRAN

Iran hanged three men and one woman yesterday on allegations of co-operating with Israel's intelligence services, as regional tensions escalate amid the backdrop of the war between Israel and Hamas.

Mizan news agency, affiliated with the Iranian judiciary, said the people executed were charged with "waging war" against the Islamic republic and were "guided directly by Mossad espionage officers".

The executions come after an air strike hit a suburb of the Syrian capital Damascus last week, killing a senior Iranian commander, Razi Mousavi. Iranian officials, who said Mousavi was an "adviser" in the Arab state, blamed Israel for the assassination and said they reserved the right to respond in kind.

Israel and Iran have been engaged in an increasingly overt shadow war across the Middle East over the past decade. Syria, where Iranian forces intervened to support Syrian President Bashar al-Assad during the country's civil war, has emerged as a constant battleground.

Syrian state media reported late on Thursday that Damascus International

Airport had been hit by alleged Israeli air strikes, after only recently resuming operations following previous attacks.

Israeli officials usually refrain from claiming responsibility for operations against Iranian assets but Naftali Bennett, who served as prime minister in 2021 and 2022, said in an opinion article in the Wall Street Journal yesterday that the Jewish state struck a UAV base and assassinated a senior militant commander on Iranian soil in early 2022, under his government.

"The Iranian regime is at the centre of most of the Middle East's problems and much of global terror. Yet, inexplicably, almost nobody is touching it," Bennett wrote, arguing for the US and other international actors to take harsher measures against Tehran.

Iran is a longtime supporter of Hamas in Gaza, and backs militant groups across the region that have launched attacks against Israel and US forces since the Palestinian group launched its October 7 assault on the Jewish state.

Its most powerful proxy, Hizbollah, the Lebanese militant group, has exchanged daily fire with Israeli forces across Lebanon's border with Israel, fuelling concerns that the war in Gaza could trigger a broader conflagration.



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INTERNATIONAL

Beijing forces once-influential central bank to a smaller role

PBoC loses powers to a party body and revamped regulator as Xi tightens grip

CHENG LENG — HONG KONG
SUN YU — BEIJING

The influence of China's once-powerful central bank has diminished as Beijing steps up a drive to centralise Communist party control over financial regulation. Some of the powers formerly held by the People's Bank of China have been taken over by a party oversight body and a revamped financial regulator as Beijing resets its growth model.

While the central bank retains a vital role in daily money markets, its governor is now ranked lower in the party hierarchy than the chiefs of some of the banks the PBoC used to regulate.

Analysts said the changes, part of a shake-up under President Xi Jinping, would diminish the PBoC's clout over domestic policymaking as well as its role as a communication channel with global regulators and markets.

"One of the biggest casualties of the new financial architecture is the diminished status of the PBoC," said George Magnus, an associate at Oxford university's China Centre.

He added that "the PBoC's reformist and modernising tendencies" had been "a sort of Trojan horse that allowed the government to experiment with financial liberalisation and . . . integrate other market-orientated mechanisms [within] a state-dominated system".

Now, however, the central bank is being pushed to the sidelines as China contends with slow post-pandemic growth and a mounting debt crisis hitting the property sector and local governments.

"The PBoC in particular has been quite cautious about going back to the old playbook of credit-financed investment as a way to boost growth," said a foreign academic who recently met China's top financial regulators, including Pan Gongsheng, the new central bank governor.

While the central bank has always operated under the auspices of China's State Council, or cabinet, its authority on financial matters was firmly established. It was seen as a hotbed of talent in China's policymaking apparatus, its technocrats playing a key role in shaping financial regulations over the past three decades.

But, since March, Beijing has in effect put the PBoC under the control of a Communist party-led oversight body, the Central Financial Commission, which has nearly 100 staff overseeing financial affairs.

He Lifeng, the vice-premier and new economic and finance tsar, heads the CFC office, which will have a say in top appointments at the PBoC. He reports to Li Qiang, China's premier, the formal head of the CFC and de facto top official responsible for the economy and financial affairs, official statements added.

Beijing has also created the National Administration of Financial Regulation, a revamped version of the banking and insurance regulator, to oversee all financial activities aside from the securities industry.

The NAFR will absorb more than 1,600 county-level branches of the PBoC, according to two people briefed



Step change: as Beijing resets its growth model, the clout of China's central bank, now led by Pan Gongsheng, right, has been diminished

FeatureChina via AP Images

on the process. The central bank had 1,761 such branches at the end of 2021.

The PBoC has also been subject to a years-long anti-corruption crackdown. Fan Yifei, a former vice-governor, was removed from office last year after being investigated for corruption. Sun Guofeng, head of the central bank's monetary policy department, has been under investigation since May 2022.

The work of overseeing new financial activities, such as Ant Group's popular e-payment system Alipay, and financial misconduct has since partially shifted to the NAFR. This means administrative approvals and daily supervision of groups such as Citic and Everbright fall to NAFR officials.

As part of the personnel reshuffle, Pan, an experienced central banker, was appointed PBoC governor and its party head in August, an unexpected appointment given he was about to turn 60, the

unofficial retirement age for many Chinese officials.

At the lower echelons, some advisers and research department heads, including those receptive to market-orientated reforms, have either stepped down or been sidelined, four people briefed on the matter said.

Miao Yanliang, former chief economist at the trading arm of the State Administration of Foreign Exchange, China's foreign exchange regulator under the PBoC, joined CICC, the country's top securities brokerage, in March. The department he used to lead, which regularly delivered policy proposals to then vice-premier Liu He, now faces reform.

The chairs of some state banks, such as Liao Lin at Industrial and Commercial Bank of China, Gu Shu from Agricultural Bank of China and Cai Xiliang from China Life Insurance, now also outrank

'Monetary tools may stymie pressures in the short to medium term, but it's not enough to fix the long term'

Pan in the Communist party hierarchy. These bankers are all members of the party's central committee, while Pan, despite being a de facto supervisor of such lenders' daily operations, is not.

Given the importance of hierarchy in the Chinese system, this puts Pan in a less influential position over the long-term planning of China's financial affairs. The PBoC and Safe did not immediately respond to requests for comment.

Analysts said the PBoC may now merely implement policy rather than shape it. The foreign academic who recently met Pan said that, while China's central bankers are "well aware" of the country's economic challenges, they believe there is not much more room for monetary stimulus because of a debt overhang and the weak renminbi.

Nor has the PBoC been keen on policies such as targeted refinancing tools to support small businesses and the completion of unfinished homes. Many officials and analysts have said that these are quasi-fiscal and temporary measures that should be rolled out by the finance ministry rather than the central bank.

But, under pressure from the State Council to improve economic sentiment, the central bank is now using such tools more often. Pan said in a speech in Hong Kong last month that the bank would boost their use. Such targeted credit support measures accounted for 15 per cent of the PBoC's balance sheet by the end of September.

In its effort to boost growth, Beijing emphasises such fiscal incentives as a primary means of managing the economy, with interest rates as a supporting measure.

But some analysts warn of the risks of neglecting fundamental economic problems and marginalising the central bank. "Monetary tools may be able to stymie pressures in the short to medium term, but it's not enough to address hard questions in the long term like diminishing returns to investment, a shrinking labour force and a spotty social welfare system," said John Yasuda, assistant professor of political science at Johns Hopkins University.



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FT BIG READ. COMPUTING

OpenAI's launch of ChatGPT was heralded as the dawn of a new age. But given the inherent shortcomings of generative AI, companies are wondering how useful the technology will really be.

By Richard Waters

Once every decade or so the computing world finds itself on the cusp of a revolution.

Whether it's the commercialisation of the internet in the 1990s or the birth of mobile and cloud computing in the first decade of this century, a collective belief takes hold in the transformative potential of a new technological paradigm.

For many in the tech industry, 2023 will go down as the year that generative AI changed everything. The ability of computers to automatically generate text or images with the apparent facility of a human first came to widespread attention with the launch of OpenAI's ChatGPT late in 2022.

Not since the debut of the iPhone has a single product fuelled such powerful hopes for a new era of technology. By the end of this year, it had led to a race in the tech industry to bring generative AI from the research lab into everyday use, embedding it in many of the most widely used digital products and services.

For Microsoft chief executive Satya Nadella, encountering ChatGPT was like the time, 30 years ago, when he first saw a web browser. Describing that moment to the FT earlier this year, he said: "It just clicks that, wow, it's a different day."

Google chief executive Sundar Pichai was also caught by the wave of optimism, declaring that artificial intelligence, of which generative AI is merely the latest instalment, will be more important than fire or electricity.

Erik Brynjolfsson, a professor at Stanford University who has studied the adoption of other historically important new technologies, predicts generative AI's impact on working practices could spur a productivity boom across the global economy.

But even as the buzz around the technology has intensified, serious doubts about its practical usefulness have surfaced.

The large language models that form the foundation of generative AI deal in probabilities, not the hard logic of traditional computing systems. They are capable at times of breathtaking artistry, whether writing computer code or poetry. But they also have an alarming tendency to return inaccurate information and "hallucinate" by generating plausible-sounding responses that have little relation to reality.

Even some companies racing to deploy the technology admit that these inherent shortcomings will limit its usefulness, even as the tech industry hurries to find ways to mitigate the problems. "It will be useful, but not as radically game-changing as many people hope," says Peter Schwartz, head of strategy at Salesforce, one of the software companies seeking to embed generative AI into many of their products.

Whether generative AI turns out to be as revolutionary as the boosters claim, or merely a useful addition to the IT arsenal with limited applications, should start to become clearer in 2024. The technology has been a catalyst for a powerful tech stock rally, helping to turn a narrow group of leading tech companies into this year's undisputed stars on Wall Street. Without strong momentum behind generative AI's adoption, that could be shortlived.

After a year in which it was obligatory for every tech company to come up with a generative AI strategy, the time is fast approaching when Wall Street will start to demand real revenue and profits from the technology.

"2024 is going to be the year where we see who is just playing the AI card, as opposed to having a real business model," says Jim Tierney, a growth stock investor at AllianceBernstein.

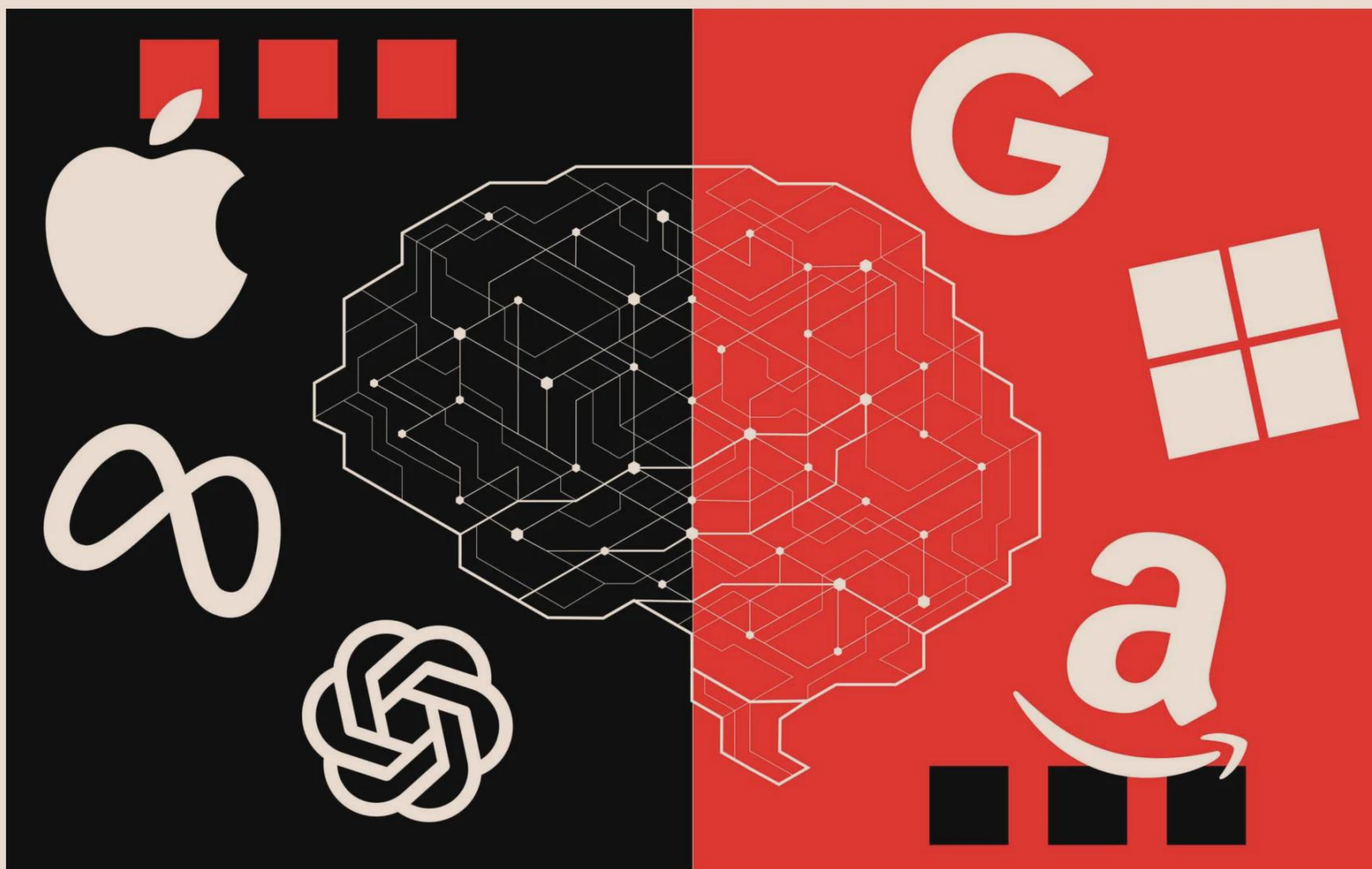
Boom or boomlet?

While the hopes swirling around AI have been an important catalyst in the change of mood on Wall Street, they were not the most direct cause of the 2023 tech stock rebound.

Falling interest rates and the durability of Big Tech's profits, along with upward earnings revisions, were the main factors carrying stocks higher, says Tierney. As hopes for a soft landing in the US economy have heightened and growth investments have come back into favour, tech has carried the overall market higher.

For the tech companies themselves, the turnaround has been dramatic. After shedding 40 per cent of their combined value, or \$3.7tn, in 2022, the five biggest US tech companies – Apple, Microsoft, Alphabet, Amazon and Meta – have gained back \$3.9tn this year.

AI fervour supported this rebound, while also having a more direct impact on one company at the heart of the AI boom. The stock market value of Nvidia, which has a clear lead in making the chips needed to train the latest AI models, jumped by \$800bn, making it



The AI revolution's slow first year

Enthusiasm for artificial intelligence supported a rebound in tech stocks in 2023. Beneficiaries included Microsoft, whose CEO Satya Nadella, below right, says encountering ChatGPT was like the time 30 years ago when he first saw a web browser

Brad Barker/Getty

the biggest percentage gainer among large tech companies in a banner year.

Nvidia's sales reflect a common feature of new tech waves. Investment floods into the infrastructure needed to support AI-powered applications, even before it is clear what the most important applications will be or whether they will generate sufficient profits to justify the investment.

The tech world is grasping to understand the scale of the boom that is unfolding. Lisa Su, chief executive of Nvidia's rival chipmaker AMD, predicted in December that sales of AI chips for data centres would soar to \$400bn in 2027 – a significant increase from the \$150bn prediction she made less than four months ago – and a figure equal to the entire global semiconductor market in 2019.

Such estimates are the kind of stabs in the dark that people usually make when a new technology is taking off, according to Tierney. "The euphoria over the potential [of AI] is about as high as it's going to be right now," he adds.

In 2023, private investment into new AI companies also picked up sharply, though the volume has not matched previous tech booms. According to PitchBook data, \$27bn flowed into private AI companies like OpenAI, which are building the large language models that underpin generative AI.

Bill Janeway, a veteran tech investor and former head of Warburg Pincus, calls the wave of generative AI investment a "boomlet", and "not that big a deal in terms of financing".

If anything, the lack of a bigger AI investment bubble may actually hold back the development of the technology, says Janeway, limiting the amount of "trial and error" that takes place when capital is thrown about more freely.

A slow start

After a year in which many companies laid the foundations for wider use of AI, investors are now starting to look ahead to 2024, and to come to terms with what

is likely to be slow adoption of the technology, at least in the short term.

Cautious forecasts from some of the tech companies expected to lead the new generative AI wave have tempered expectations. Software company Adobe, whose shares had jumped nearly 90 per cent since the start of the year, was the latest to disappoint, with a revenue forecast for 2024 that fell short of Wall Street's hopes.

Microsoft, which has moved faster than most to embed AI into its software, has also worked hard to damp expectations, saying that a pick-up in sales from the new "Copilot" features in its software is not likely until the second half of the year.

One reason for caution is the lingering issue of large language models producing inaccurate results, undermining their value in many business settings. "It's a big enough problem and enough people are working on it in parallel" to suggest that solutions will eventually be found, says Schwartz at Salesforce.

He and others point to two methods in particular that offer hope: ensuring that work involving generative AI always has a "human in the loop" to catch mistakes, and linking the language models to factual databases so that they can return verifiably accurate answers when needed.

Another issue likely to slow the adoption of generative AI in 2024 is a lack of preparedness on the part of many potential customers. Experts including Janeway say that much of the value companies stand to get from generative AI will come from training the models on their own in-house data.

But according to Julie Sweet, chief executive of Accenture, many companies hoping to use AI lack the technical know-how. "Most companies do not have mature data capabilities, and if you can't use your data, you can't use AI," she said in an interview with the FT this month.

Cost is also likely to slow uptake of the technology. In one of the strongest displays of confidence in the value of generative AI, Microsoft slapped a price tag of \$30 a month on the use of the technology in its Office suite of productivity software, a move that nearly doubles the cost of the software for some customers.

The software company claims that the pricing reflects the huge increases in worker productivity that will come from the software. But analysts warn that the high price will cause customers to limit the technology to small groups of workers, at least until they have clear evidence of its value.

Issues like these mean that, at least in the short term, the lift to tech companies' revenue and profits from new AI products and services could be muted.

Spending on generative AI next year will amount to little more than \$20bn,

or 0.5 per cent of total global IT spending, says John-David Lovelock, chief forecaster at IT research firm Gartner. By comparison, IT buyers will spend five times as much on security, he adds.

Sweet at Accenture told her company's investors this month that tech spending among customers is picking up, though "it's not increasing as fast as it was increasing a couple of years ago" and much of the spending on AI reflects customers "reprioritising" their existing spending.

Seeking demand

Yet signs that the early take-up of generative AI may be slow have done nothing to damp the hype in the tech industry. Many claim it will find its way into mainstream use more quickly than other important new technologies. According to Sweet, for example, most companies are likely to adopt generative AI faster than they did cloud computing.



Compared with other technologies in their early days, like the internet, AI also benefits from existing computing and communications systems, says Brynjolfsson of Stanford. "Things will happen somewhat faster this time around because the infrastructure is in place," he says.

Macro forecasts tell a positive story. Analysts at Goldman Sachs estimate that after a slow start, with investment in AI hovering below half a per cent of GDP, spending will jump in the latter part of this decade to reach more than 2.5 per cent of GDP by 2032.

Exactly how and when this will translate into demand for real tech products and services, or which tech companies will see the biggest benefits, is another matter. For consumers, there is no "highly monetised killer app" yet that could turn generative AI into a big moneymaker, says Oren Etzioni, former head of the Allen Institute for AI, a research and engineering non-profit organisation. That makes it similar to the early internet, when there was a preponderance of free services and little in

'[Generative AI] will be useful, but not as radically game-changing as many people hope'

'2024 is going to be the year where we see who is just playing the AI card, as opposed to having a real business model'

the way of online advertising – though Etzioni predicted that ways to make money would quickly take off, just as they did on the internet.

Many investors, meanwhile, predict that the bigger opportunity will come from business use of the technology. "It looks like AI will get monetised in the enterprise," says Kevin Walkush, a portfolio manager at Jensen Investment Management. That would make it an extension of the cloud computing wave that has seen many companies invest hugely in shifting their IT to the cloud.

The tech companies themselves could be the first to record significant gains from using the technology, reducing their hiring as they adopt generative AI in their own businesses. IBM chief executive Arvind Krishna said earlier this year that his company would "pause" its recruitment of back-office staff in anticipation that many of their jobs would be replaced by AI.

Both Amazon and Microsoft have designs on using generative AI to make their workforces more productive, adds Tierney, potentially bringing an end to the years of rapid headcount growth that limited an expansion in profit margins. "Doing more with less is the new mantra [for tech companies]. From an investor perspective, that's pretty darned welcome," he says.

Some early research into the use of generative AI suggests that business gains could come quickly. A study co-authored by Brynjolfsson at Stanford this year found that the average productivity of call centre workers who used the technology rose by 14 per cent within a matter of weeks. For workers with the lowest skill levels, the gains averaged 35 per cent.

The promise of productivity improvements like this has led many CEOs to press their organisations to study how best to adopt the technology, leading to a close focus on how specific tasks can be adapted to make use of the new AI, Brynjolfsson adds.

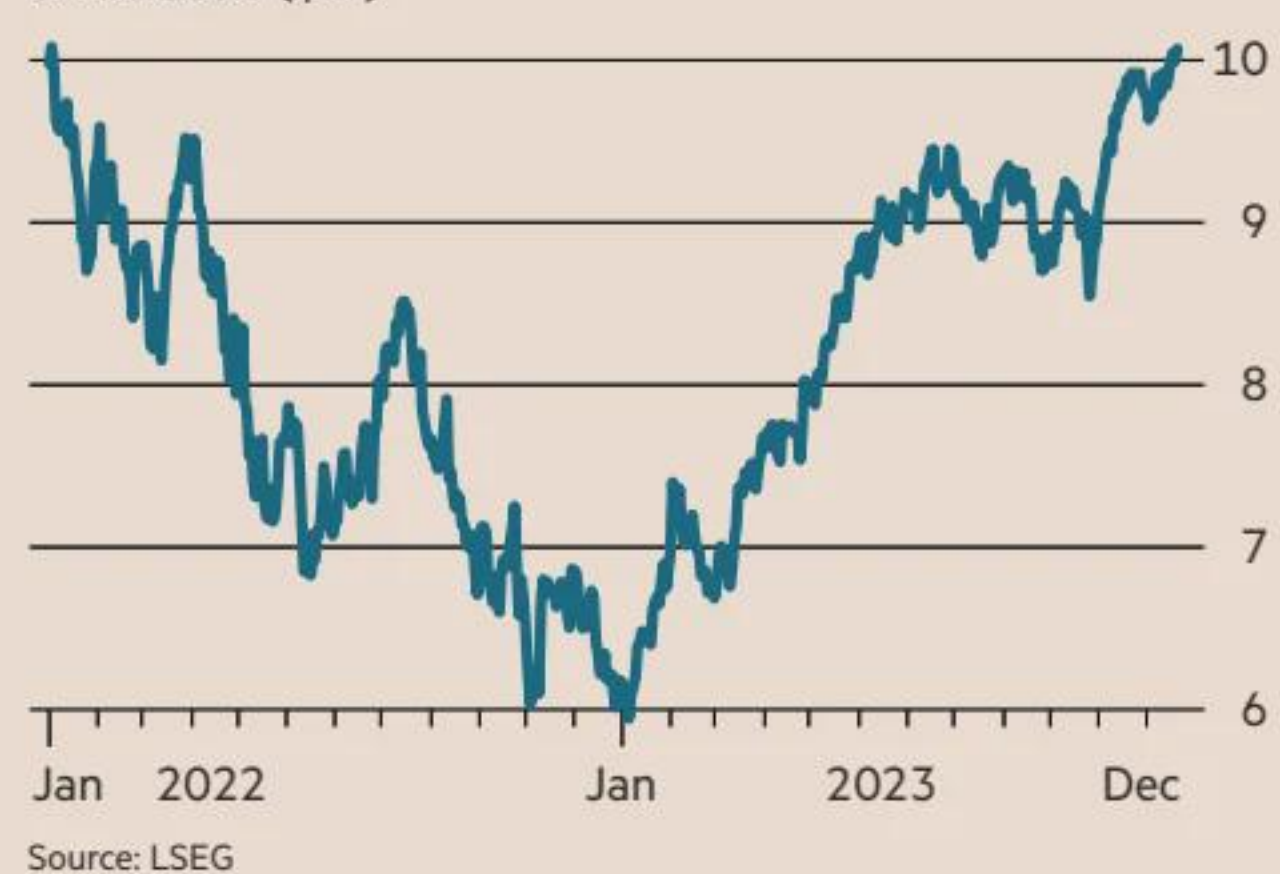
Many workers may soon get their first taste of a technology that can help them write reports, analyse corporate data and summarise meetings.

One of the most striking findings from Microsoft's early trials with generative AI has been how "viral" the technology is among workers, according to Jared Spataro, a vice-president at the software company. People take to the technology quickly when they see others around them using it, and once they have tried it out in their own jobs they don't want to give it up, he says.

The high cost of the technology and uncertainty about how best to integrate it into everyday business means that the generative AI revolution will not come quickly. But 2024 could be the year when a new way of working starts to take shape.

The Big Tech turnaround in 2023

Combined market value of Alphabet, Amazon, Apple, Meta & Microsoft (\$tn)



Source: LSEG

The FT View



FINANCIAL TIMES
‘Without fear and without favour’

ft.com/opinion

Reasons to be cheerful about the global economy

Resilience, falling inflation and technological progress undermine the gloomsters

Happiness, according to some psychologists, is a product of reality exceeding one's expectations. If so, 2023 has been quite a cheery year — at least for economists. Citi's Global Economic Surprise Index shows that this year's projections have been consistently beaten by the actual data. The economic trends that have underpinned this reality also offer plenty of reasons to be optimistic for 2024.

First, the international economy has displayed remarkable resilience. Since 2020 it has endured a pandemic, war in Europe and supply chain chaos — which together triggered the highest inflation and most aggressive interest rate-raising cycle in decades. Yet economies have adapted better than expected, and that continued in 2023. In the third

quarter the world's gross domestic product was more than 9 per cent larger than pre-pandemic levels, according to Fitch Ratings' global aggregate. Businesses rewired their logistics, Europe weaned itself further off Russian gas, and higher rates did not lead to a spike in unemployment. Such durability provides a strong foundation for next year.

Second, the scourge of inflation is fading rapidly. Global price growth ended last year at 8.9 per cent, and is forecast to drop to 5.1 per cent by the end of 2024. Food price inflation — from wheat to cooking oils — has plummeted, and the surge in energy prices is unwinding. Services inflation remains sticky, but that is down to sturdy job markets and rapid wage growth.

Third, fears of a “table mountain” monetary policy cycle — where interest rates would stay at their peak for longer — are waning. The big central banks may now cut rates earlier in 2024 than anticipated. That would be a relief for many households and businesses. And

although three regional US banks and Credit Suisse founded in March, the fallout from higher rates has been contained. In fact, this rate cycle has usefully exposed weaknesses, from zombie businesses to poorly capitalised banks.

Financial markets have boomed. Wall Street's leading indices neared or surpassed record highs this month. Even bonds ended the year strongly. And, the chance of a soft landing for the US economy in 2024 — where the Fed gets inflation under control without causing a recession — has risen.

Not all economies are expected to perform well. Economic activity has sagged in Britain and Germany. China's post-pandemic recovery has also disappointed. But others are showing promise. India, Mexico and Vietnam are benefiting from shifting trade patterns, and investors are keen to boost their exposures to them next year. Prudent economic management also made a comeback in places. Greece's government debt returned to investment

Food price growth — from wheat to cooking oils — has plummeted and the surge in energy costs is unwinding

grade status after a decade-long hiatus. Central banks across many developing countries were also on the front foot in keeping inflation under control.

Finally, it has been anything but the sober year for tech some had expected. ChatGPT became the fastest-growing app of all time, and the buzz over generative artificial intelligence helped to propel the stock market. The adoption of AI by businesses in 2024 could help support productivity growth. Other innovations this year also hold promise. The regulatory approval of weight-loss drugs — such as Novo Nordisk's Wegovy — could help to lower healthcare burdens. And, Toyota's progress on solid-state batteries may be a game-changer for the electric vehicle industry.

A bit of perspective is no excuse for complacency. The global economy faces battles in 2024, from pivotal elections to mounting sovereign debt. But, after this year's resilient showing, there is every chance that the reality next year will also be better than expected.

Opinion Data Points

Football's broadcast revenue boom is finally over



John Burn-Murdoch

The team that finishes last in the Premier League gets more domestic TV income than almost every other team in Europe



From the 1990s to the eve of the Covid pandemic, football was in a long boom. The marriage made in heaven between pay-TV and live football in the early 1990s brought vast sums of money into the sport, and, for the following three decades, every time the broadcast rights were up for auction, the winning bid was higher than the last.

When Sky first won exclusive rights to broadcast live Premier League football in 1992, it cost them £38mn per season. Seven auctions later, they paid £1.8bn per season for the 2016-2019 stretch, a 40-fold increase. It was the same story right across Europe, and this reliable and effort-free source of revenue growth quickly became an implicit assumption in football clubs' planning.

But then the pandemic hit, and broadcasters reassessed. No domestic TV rights package agreed since 2020 for any of England, Spain, Germany, Italy or France's top leagues has set a new high, even in nominal terms.

Don't be fooled by the higher sticker price on the Premier League's latest package. As football finance analyst Kieron O'Connor points out, British broadcasters may have paid marginally more than last time but they got 67 extra matches for their money.

This detail is doubly disconcerting. First it means Premier League football is not as lucrative as it once was, but second, and more existentially for the wider English footballing ecosystem, it raises the prospect of England's “3 o'clock blackout” being repealed.

The rule currently prevents live football being shown on British television mid-afternoon on Saturdays, the time slot when the vast majority of the country's smaller professional teams play in front of crowds whose match-day spending is their lifeblood.

If a future Premier League auction offers up the full slate of 380 matches — including 3 o'clock kick-offs — to prop up revenues, that may come at the cost of the survival of smaller clubs around the country.

But while England's worries are, for the moment, mostly what-ifs, the pain is more immediate for Europe's other big leagues. According to figures from the consultancy Football Benchmark, the latest rights deals in Germany, Italy and France were agreed for cuts of between 5 and 20 per cent, while Spain's represents a wafer-thin

increase on the previous package but still below its pre-pandemic high.

Adding to their woes is the fact that the Premier League has cracked the US. While its domestic rights may be faltering, England's top division currently pulls in £1.8bn per season for overseas broadcast rights, including £333mn in the US. This completely blows its European rivals out of the water, and is a key part of its £2bn per season advantage over its nearest rival in annual broadcast revenues.

Such a gulf explains why when Norwich City finished in last place in the 2021-22 Premier League, they earned more broadcast revenue for their league appearances than Bayern Munich, AC Milan or Paris Saint-Germain, the German, Italian and French champions.

The Premier League's pulling power is so great that across the whole of Europe only Barcelona and Real Madrid made more money from televised league games than England's bottom-ranked team, with the result that the biggest clubs on the continent now increasingly find themselves outbid on transfers not only by fellow giants but also by Premier League minnows.

The overall sense one gets is that the revenue squeeze is replacing three decades of a rising tide that lifted all footballing boats with a winner-takes-all environment in which the highly competitive and expertly marketed Premier League is the clear winner.

At home that may endanger smaller English clubs. Abroad it jeopardises viable competition in continental tournaments, and will only put a tighter squeeze on other European clubs and leagues as international broadcasting revenues become the scarce resource.

But while the problem is increasingly clear, the solution is not. Even if one thinks a putative European Super League would be a net positive (I don't), a majority of clubs originally associated with the idea have since come out strongly against it. The Spanish FA could continue building lucrative links with Saudi Arabia, but that would be unpopular with both fans and players.

To mix my metaphors, this time the frog knows it's in a pot of simmering water, but its only escape routes are the frying pan and the fire.

john.burn-murdoch@ft.com

Letters

Last rites for zero-star reviews are premature

Stephen Bush (“The importance of the zero-star review”, Opinion, Life & Arts, December 16) is not the first observer of the literary scene to pronounce the last rites for the hatchet job.

But that may be premature. Like its non-metaphorical counterpart the axe murder, the hatchet job's capacity to shock, titillate and in some quarters even delight has always been allied to its rarity.

In a world where hatchet jobs were the norm, would anyone notice if, rather than “urgent” or “necessary”, a book was pronounced a serviceable substitute for kitchen towel?

Bush also has a rather old-fashioned notion of the purpose of the book review, one that pertained to a time when the number of books published daily could be counted on your fingers rather than in multiples of a hundred. One reason why the bromides he names and shames proliferate is because reviewers know the vast majority of their readers are not going to entertain the thought of buying the book in question, let alone find the time to read it. They are just clinging to form.

To most readers, the review stands as a surrogate for the book rather than a

gateway to it — something to save you from having to read the damn thing. You may want a quick digest of Xi Jinping's grand strategy. You may want to know what Margaret Atwood has been up to since you studied *The Handmaid's Tale* at A-level. You may even want to blag your way through a dinner party or a first date.

In all such cases, it's neither here nor there if the book being reviewed is urgent, necessary or good only for stabilising a tottering table.

David Gelber
Assistant Editor, Literary Review
London W1, UK

Two ways to cut digital platforms down to size

Eliot Higgins is too quick to dismiss the role of the state with regard to dealing with disinformation on digital platforms (“Moment of Truth”, *The Weekend Essay, Life & Arts, December 16*).

The problem is that he asserts that “the definition of truth is inherently subjective . . . a narrative deemed factual by one nation's standards might be labelled misinformation by another — for example, the perception of the Armenian genocide in Turkey versus other parts of the world”.

This is not an issue of truth, but one of narrative. Stories that nations tell are not necessarily true. Higgins is making a category mistake here. Truth and narrative are not the same.

He believes that a grassroots movement can instil in young people the capacity to identify disinformation by integrating open source investigation and critical thinking into the curriculum. But that in itself is not enough. States have a role in preventing digital platforms getting too big and powerful.

Two ways of doing this are vigorous anti-monopoly enforcement and removing the “platform” concept itself from the law: making them all publishers so they have to face direct legal challenges for what they publish on their websites.

The truth value of the narratives can then be challenged in court. The era of digital power without responsibility would rapidly be brought to an end.

Willie Currie
Simonstown, South Africa



Record store bins from Brazil to Tokyo have long been picked over

And just for the record

As a life-long fan, it was with great interest that I read “Mixing desk that channels spirit of The Beatles” (*Life & Arts, December 13*).

And yes, the TG 12345 Mark 1 studio mixing desk certainly made a mark on the sound of The Beatles' *Abbey Road* album, but not necessarily in the way suggested in the article, which among other things stated that “the TG brought exceptional depth of character to their compositions”.

In his memoir, written with Howard Massey *Here, There and Everywhere: My Life Recording the Music of The Beatles*, Geoff Emerick, The Beatles' recording and mixing engineer, painted a rather different picture. “The new mixing console . . . just didn't sound the same,” he writes. “Mainly because it utilised transistor circuitry instead of tubes.”

George Harrison, we are told, “had a lot of trouble coming to terms with the fact that there was less body in the guitar sound, and Ringo was rightfully concerned about the drum sound . . . after a good deal of experimentation I came to the conclusion that we simply couldn't match the old Beatles sound . . . everything was sounding mellow. It seemed like a step backward, but there was nothing we could do — there was an album to record and we simply had to get on with it.”

And that was exactly what they did, to great effect: *Abbey Road* was an artistic triumph, as a result of the group's unparalleled musical talent.

Due to its role in the recording of one of the greatest albums of all time, the Mark 1 can undoubtedly still claim to have made an important contribution to music history, though in its own more “mellow” way.

Just for the record.

Johan de Koning
Rijswijk, The Netherlands

Try curiosity — it's the natural antidote to ennui

As a psychotherapist, I wholeheartedly endorse Lilah Raptopoulos' re-edited to “sit” in her boredom (*Opinion, Life & Arts, December 23*).

Boredom can feel like nothingness, a state where we're not feeling much, not doing much.

Many of us have now learnt to quash our boredom by digitally self-soothing. Our smartphones are the ultimate one-stop boredom reliever, which is what makes them so compelling and potentially addictive.

The German 19th-century philosopher Arthur Schopenhauer asserted that as humans we are “doomed to vacillate between the two extremities of distress and boredom”. Based on my experience working as a therapist for over a decade I can attest that Schopenhauer was on to something.

When I work with boredom, or indeed any “negative” emotion, I encourage my clients to approach it with curiosity, which in itself is a natural antidote to ennui.

Being bored, feeling under-stimulated is part of the ebb and flow of life, and if we go with it — or “sit” in it, as Raptopoulos intends — rather than distracting ourselves by reaching for some digital soother, we can learn a lot about ourselves, how we're wired and what it really means to be present.

Boredom is very often the prelude to creativity and innovation.

Hilda Burke
Psychotherapist and Author of ‘The Phone Addiction Workbook’
London W6, UK

Vienna's housing model is part of the city's success

When housing by the private sector becomes unaffordable for many, housing by the public sector provides alternatives (“What next for first-time buyers?”, *House & Home, December 16*).

Vienna's well-designed, built and maintained public housing, especially that from the 1920-30s, is part of the city's culture of a high quality of life and a distinct urban ambience.

More than half of the residents of Vienna live in some type of public or subsidised housing and the city owns about 40 per cent of the housing stock. Renters are not stigmatised; people of all income groups rent.

The Economist Intelligence Unit has twice ranked Vienna as the world's most liveable city.

Vienna's housing model is historically rooted and can't be copied fully by other cities but it demonstrates that quality of life is influenced by both economics, and culture.

Reiner Jaakson
Oakville, ON, Canada

What Mark Twain said about property's appeal

There's a simple explanation for faith in the “ascension of property” (“The festive case for faith-based investing”, *Opinion, December 23*). The main component of “property” is land, and as Mark Twain put it: “Buy land. They're not making it any more.”

Carol Wilcox
Secretary, Labour Land Campaign
Christchurch, Dorset, UK

A farmer makes the case for teaching Pythagoras

As a new convert to the FT, I find myself reading nearly all the articles published as they are interesting and informative — and educational. Much like Lord Reith stated TV should be.

Reading your article “Does Sunak's maths revival add up?” (*Opinion, December 16*), on why pupils are put off maths, I have experienced exactly the same thing with my own children.

My youngest son was quite good at maths at primary school, but fell off the ladder just after starting secondary school. One evening, in year two, he was struggling with a maths question. I looked at it and was equally at a loss. It made no sense to me, and I am no slouch with maths. In fact last weekend we had to divide a £206.35 lunch bill by 11 diners. I quickly gave an answer of “about £18.50 each” — working it out in my head. Beside me sat a maths teacher who was busy working it out on his phone. To find I was some 26 pence per person out, he was amazed. I really don't see why. I have always done sums in my head, as my father did. Being a farmer I find this very useful when buying and selling grain.

But no wonder children are put off. We have a Soviet-style system of teaching where there is the prescribed way, and nothing else. My view of my son's teacher is unprintable.

I have since been teaching him a sort of “Dad's maths”.

We skipped algebra (pointless unless you want to go on teaching algebra to others) but not Pythagoras' theorem as this is handy when working out field corners and sizes of blocks of land and how much grain is in a store.

If only we went back to basics first, instead of teaching children what four “feels like” if it's added to seven. If I have four beans and I added five more, what does that make? A small stew.

Richard Styles
Stowmarket, Suffolk, UK

The vinyl word — how the web ruined it for collectors

Interesting spin on vinyl from someone who rediscovered collecting as recently as the pandemic (“There's no satisfaction at the internet's vinyl frontier”, *Opinion, Life & Arts, December 9*).

Unfortunately, the secret has been out since at least the late 1990s, when rarities and obscure grails became common knowledge with the expansion of the web. Record store bins from Brazil to Tokyo have long been picked over and plucked of their gems. Last year vinyl (or “vinyls” as the younger generations incorrectly refer to records) sales reached 41mn, marking an amazing resurgence of the format.

In 2023, formerly common “bottom crate” discount records are wildly overpriced and the odds of finding a charity shop rarity are about as good as winning the lottery. Notwithstanding that, for collectors the thrill of the hunt continues, both online and off.

Brian Katz
Valley Village, CA, US

Opinion

Forecasting the world in 2024

FT writers' predictions for the new year, from who will win the US election to whether Musk's X will go bankrupt and the future of the Parthenon marbles



Elle Foreman-Peck

The Financial Times's team of crystal ball gazers had their best year for a while in 2023, with only three wrong answers – though we got these pretty wrong. The S&P 500 did not fall by more than 10 per cent, but climbed over 20 per cent (though driven mostly by just seven tech stocks). Europe didn't experience blackouts, though we said this would happen only in a very cold winter (it wasn't). And there wasn't a string of defaults in Africa, though Ethiopia did default this week.

It says much about the world that, for a third year running, we feature questions on war or military action this year – between Israel and Hamas, Russia and Ukraine and, perhaps, between China and Taiwan. The big calls seem ever harder to make. But on the question more FT staff suggested than any other – will Donald Trump be president? – Edward Luce agreed to venture his best guess. Read on to find out!

A record 17 readers tied on 19 correct answers in our competition. Congratulations to Richard Barnes of London, overall winner after the tiebreaker. We invite readers again to submit answers to this year's 20 questions and tiebreaker, giving their real name and email. Happy New Year! Neil Buckley

Will Donald Trump become US president again?

No. But – assuming the recent legal hurdles thrown up against Trump standing in Colorado and Maine are overcome – his campaign against Joe Biden will be the nastiest presidential election in US history.

It will be very close run. Trump will be criminally convicted in at least one of his four trials, probably two, before the election, and will present it as political persecution by the “Biden crime family”. Though visibly ageing, Biden will squeak through, more because a narrow majority will be rejecting Trump than endorsing a Biden second term. Edward Luce

Will 2024 surpass 2023 as the hottest year on record?

Yes. The year 2023 was marked by so many scorching heat extremes that it will almost certainly prove to be the hottest in 174 years of climate records, once the final numbers are in.

But many scientists expect 2024 to be even warmer, because the 2023 heat was bolstered by the emergence of a naturally occurring El Niño climate pattern. This typically has the biggest effect on global temperatures after it peaks – which may not happen until January 2024. Pilita Clark

Will the Israel-Hamas war trigger a full-blown regional conflict?

No. The war has sparked violence across the region involving Iranian-backed militant groups. The biggest concern is that border clashes between Hizbollah, the powerful Lebanese movement, and Israeli forces spiral into a full-blown conflict between the two.

Benjamin Netanyahu's government has been clear it can no longer live with Hizbollah fighters camped on the Lebanon-Israel border, but the hope is that diplomatic pressure contains the situation. Neither Washington nor

Biden will win, more because of a narrow majority rejecting Trump

Many scientists expect 2024 to be even warmer than 2023

Growth in China's renewables won't quite be enough to surpass coal

Tehran want a broader regional conflict, even if fighting between Hizbollah and Israel intensifies, but the situation is alarmingly volatile. Andrew England

Will the US achieve a soft landing?

Yes, in the short term. Inflation has drifted down in a manner that has surprised even the Federal Reserve this year, and growth has remained stronger than most economists expected.

Since consumer spending remains robust and wage growth (fairly) well contained, a soft landing could continue for several months. But don't bet on it lasting throughout 2024. There will be less fiscal support, as Covid-era hand-outs to households have been consumed. Higher interest rates are sparking bankruptcies, US debt worries are rising and geopolitical stresses are fracturing global trade. That could raise inflation and slow growth. So within a year, the landing will probably become more painful. Gillian Tett

Will Keir Starmer become UK prime minister?

Yes, though it is possible the UK election does not happen until January 2025. Rishi Sunak's Conservatives look divided and exhausted.

The number of seats the Labour opposition must win means it could land anywhere between a minority government and the landslide to which opinion polls currently point. But it is extremely hard to see how the prime minister can recover enough support to hold on to power. Robert Shrimley

Will China's economic growth crash to 5 per cent or less?

No. The quality of Chinese growth has certainly deteriorated markedly in recent years. The property market, which contributes almost a third of gross domestic product, is slowly imploding. Many local governments are drowning in debt. The Chinese consumer is hesitant.

But GDP growth in 2024 is still set to comfortably exceed 4 per cent – assisted by a medley of debt bailout packages, fiscal stimulus initiatives and other forms of official support. Advances in technology will remain strong. James Kyngé

Will a change of president in Taiwan spark a Chinese attack?

No. Many people inside and outside Taiwan worry more about war these days, thanks to China's expanding military manoeuvres. The frontrunner in January's presidential election, the DPP's Lai Ching-te, also has a very different background to the incumbent Tsai Ing-wen.

But Lai has been clear he would follow Tsai's cautious China policy stance – leaving Beijing with no pretext for an assault. The Chinese leadership under President Xi Jinping still seems to believe, too, that it has a chance to coerce Taiwan into unification without fighting – by stepping up military intimidation, political infiltration, economic lures and international isolation. Kathrin Hille

Will the US and the EU keep funding Ukraine?

Yes. As Ukraine's counteroffensive against Russia's invasion stalled in late

2023, military and financial support for Kyiv became a contentious issue on both sides of the Atlantic. The Biden administration is determined to keep supplies flowing: a deal with Republicans in Congress might involve concessions on US border security in return for extended aid for Ukraine.

A bigger challenge will arise if Donald Trump returns to the presidency. EU leaders, meanwhile, should find ways early in 2024 of circumventing Hungary's veto on a €50bn financial aid package. But Ukraine is still likely to struggle to make a military breakthrough, so will come under mounting pressure to negotiate with Moscow. Tony Barber

Will Ursula von der Leyen secure a second term as European Commission president?

Yes, with some effort. Ursula von der Leyen has acquitted herself well in a term marked by crises, proving the value of common EU action in borrowing, health, defence spending and energy policy. Her flagship European Green Deal has largely stayed on track.

But her habit of springing policies on capitals and close alignment with Washington have annoyed some leaders. Her 2019 coalition is at risk from gains by the populist right in European parliamentary elections. But her centre-right EPP party is in pole position to retain the presidency, even if that means closer collaboration with Euro-sceptic parties. And, for now, no one seems like a stronger EPP candidate. Martin Sandbu

Will the Bank of Japan raise rates above zero?

No. 2024 will be the year the Japanese central bank finally ditches yield curve control and negative interest rates. Contrary to market expectations of several further increases, however, rates will end the year no higher than zero.

With mediocre wage growth, a stronger yen in prospect as US rates peak and reasons to prefer a steeper yield curve, the BoJ is unlikely to set a positive rate – although as with any central bank forecast, much depends on the incoming data. Robin Harding

Will the ANC vote fall below 50 per cent in South Africa's election?

Yes, just. After 30 years in power, the African National Congress will miss out on an absolute majority for the first time since Nelson Mandela became president in 1994.

The party's image has been eroded by years of corruption, incompetence and appalling service delivery, epitomised by rolling power cuts. In real per capita terms, the economy has stagnated for 15 years. In 2019, under President Cyril Ramaphosa, the ANC vote dipped to 57.5 per cent. This year, it will fall again. If it goes below 50 per cent, as seems distinctly plausible, it will need coalition partners. David Pilling

Will Argentina dollarise its economy?

No. Some would argue long-suffering Argentines have already dumped the peso: they save in greenbacks and buy and sell property unofficially in dollars.

But despite his campaign pledges to

dollarise the economy, Argentina's radical new libertarian president Javier Milei plumped instead for devaluation in his first economic measures.

Though his economy minister Luis Caputo insisted that adopting the US currency remains a long-term aim, it is unlikely to happen in 2024: the IMF is unenthusiastic and most economists believe the loss of economic sovereignty would outweigh the benefits. Michael Stott

Will renewables overtake coal in global electricity generation?

No. While renewable power's share of generation is expected to outstrip coal within the next few years, it is unlikely to happen in 2024, thanks to China.

Chinese demand for coal has continued to rise rapidly in 2023 and while renewables are growing fast too – expected to account for about 90 per cent of all new generation capacity globally – this won't quite be enough to surpass coal generation next year, even as western coal use declines.

But the tipping point is not far away. More critical for the climate is when China's appetite for coal finally goes into reverse. David Sheppard

Will investors go back into bonds?

Yes. “Bonds are back” was the biggest bet in markets in 2023, but it was a flop. Scorching inflation and relentless interest rate rises meant that by October, the Bloomberg Barclays Aggregate bond index was down 4 per cent, rekindling memories of a brutal 2022 and frustrating big investors' efforts to call a bottom.

Now, investors believe a slowdown of some sort is coming to the US economy as the lagged effects of interest rate rises finally kick in. With inflation sinking and rate cuts on the horizon, bonds seem a safer bet. Katie Martin

Will X go bankrupt?

Yes. Elon Musk frequently uses warnings of bankruptcy to motivate; he did it at Tesla and SpaceX. But this time, with X's advertising tanking and attempts to create new sources of revenue falling flat, there's a good chance it will happen.

After recent emotional outbursts against X's advertisers, he may be reckless enough to think he can put it through bankruptcy and still come out on top. Musk fighting for control of X in bankruptcy would be a gripping sequel to the drama-filled Twitter acquisition. Richard Waters

Will Sam Altman be sacked again from OpenAI?

No. Sam Altman originally structured his company so that its board controlled a non-profit created to benefit humanity. He said he held no equity in OpenAI, and the board could fire him at any time.

But when Altman's co-founder and three independent board members did just that in November, they ended up reinstating him four days later.

Now, all but one of the original board have been ousted; Microsoft – OpenAI's key partner and largest financial backer – will have a role as a non-voting observer on the new board and the company's governance will be overhauled

Ukraine will come under mounting pressure to negotiate with Moscow

Musk may think he can put X through bankruptcy and come out on top

Greece's Parthenon marbles will be returned, most likely via a loan agreement

so he cannot be put in such a position again. Madhumita Murgia

Will capital markets reopen for IPOs?

Yes. Companies can only put off fundraising for so long, and after a lean spell Wall Street bankers need to find a way for more activity to take place.

US and European IPO markets have been moribund for two years, but with interest rates peaking and stock markets back near record highs, the environment for dealmaking looks brighter.

Still, don't expect a return to the fundraising frenzy of 2020 and 2021. Rates might be falling, but they are not going back to zero and investors will be paying more attention to profitability and balance sheet strength. Nicholas Megaw

Will Novo Nordisk end the year as Europe's most valuable company?

Yes. In 2023, obesity treatment Wegovy became one of the most successful drug launches of all time and Denmark's Novo overtook luxury goods group LVMH in value.

But 2024 looks challenging for those selling highly priced handbags to China – while Novo's main issue in selling highly priced obesity medication is how quickly it can produce it. After winning over patients and doctors to using its diabetes drug for obesity, Novo is now expanding access and coverage in a market where perhaps 1mn people are being treated out of a patient population of 100mn in the US and 700mn globally. Helen Thomas

Will female pop stars out-earn the men in concert tours?

No, not overall. Taylor Swift's Eras tour this year became the first to exceed \$1bn in revenues – surpassing Elton John's previous all-time record of \$939mn – and continues next year. Beyoncé's Renaissance tour was this year's number two, earning \$580mn.

But the gender imbalance still skews towards males. Only one other woman, Pink, was in 2023's top 10 touring acts. Swift and Beyoncé are in a league apart, earning appreciably more per show than other stadium acts. Pink and Madonna may feature in 2024's box office charts, but male acts such as Coldplay, Bruce Springsteen and the Rolling Stones will continue to dominate. Ludovic Hunter-Tilney

Will Britain return the Parthenon marbles to Greece?

Yes – although it will almost certainly be via a loan agreement, not a full return which would require a change in UK law. Political tempers flared this year when Rishi Sunak abruptly cancelled a meeting in London with Greek premier Kyriakos Mitsotakis.

But British Museum chair George Osborne has strongly advocated a deal to allow the marbles to be displayed in Athens, with other Greek treasures coming to London in return. The Labour party's Keir Starmer has hinted he would not block an accord acceptable to the museum and to Athens. Jan Dalley

Tiebreaker: How many medals will the host France win at the Paris Olympics?

Poll

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Opinion

Why a mid-life career change can be as good as a rest

Options don't have to narrow for the over-50s, but it pays to prepare the ground

BRITAIN

Camilla Cavendish



This year, a Christmas card arrived from an old friend telling us she's had a bit-part on TV. Formerly a teacher, she enrolled in drama school in her fifties, which didn't augur well. Her parents had warned her against taking such a big risk when she was starting out. But after her mother died and left her a small legacy she took the leap – watching her on stage, you'd think she'd been doing it all her life.

I've interviewed lots of people who've made career shifts in mid-life. The lucky ones talk with a sparkle that makes them seem younger. They achieve, often for the first time, the happiness that comes from what the Hungarian-American psychologist Mihaly Csikszentmihalyi called a "flow state": being completely absorbed in the task. When you're in flow, nothing else seems to matter. And you don't have to be an artist to feel it. One friend migrated from journalist to mindfulness instructor after taking up meditation as a sideline; another has enrolled on a plumbing course. At this year's FT Weekend Festival, I met Ana Baillie, who is studying to be a midwife after 23 years as a lawyer with blue-chip firms. She had realised she might be only halfway through a long life, so

Labour shortages should make this an ideal time for older workers. Sadly, many employers remain wary

why not switch to using a different part of her brain?

This sense of having extra time to play with can be very empowering. I have met people in their forties and fifties committing to years of training: in psychology, teaching, even medicine. They clearly expect a return on their investment by working into their seventies.

Naturally this is an elite group, buffered by professional earnings and/or supportive spouses. But they may be bellwethers. The Great Resignation of the pandemic removed many over-50s from the workforce, to general alarm. But we are only just beginning to map the Great Reshuffle, which saw workers of all ages job-hop, upskill, or return. In the UK and US, self-employment is on the rise again, with almost a million Britons aged 55-64 and almost half a million over 65 in that category.

Labour shortages should make this an ideal time for older workers. Sadly, many employers remain wary. A report by the OECD and the non-profit Generation, based on interviews with hiring managers in eight countries, finds older workers value experience more than recruiters, who are more interested in



adaptability. It's depressing to think that deep wells of wisdom are so readily dismissed. But the message is clear: show evidence of upskilling and tech nous.

That's if you know what you want to do next. While younger generations have more varied careers, there are still 50-somethings who have worked in one sector and can find it hard to envisage an alternative. The standard advice to "talk to your network" can just reinforce their current identity. Those at senior levels may also suffer from an addiction to status, which can make a transition terrifying. Jan Hall and Jon Stokes, in their book *Changing Gear*, advise such people to try and remember what used to feel fun, to experiment.

The universal advice is to think ahead. Catherine Sermon, of the Careers Can Change campaign, says that adopting "small habits" can help de-risk a potential career shift: research what the fantasy job really requires, and ask people in that field if they'd be willing to have a cup of tea – "but think beforehand what help you want". One of the campaign's stars is Benvon Crumpler, a former BBC executive, who left broadcasting at the age of 50. She was pleas-

antly surprised by how willing strangers were to give advice. A programme called *Brave Starts*, which offers careers guidance to the over-45s, reminded her that she had "a ton of transferable skills". She is now the chief operating officer of a digital recruitment business.

It can be hard to shake off the idea that mid-life marks the narrowing of options and the onset of decline, mapped in David Blanchflower and Andrew Oswald's famous U-shaped curve of self-reported life satisfaction, which slopes down from our twenties and bottoms out in our forties. But it does rise again. And indeed the Canadian psychoanalyst Elliott Jaques, who coined the phrase "midlife crisis" in 1965, wrote some of his most original ideas in his seventies and set up an educational and research institute in his eighties.

I am a strong believer in telling stories like that, which make change seem possible. That seems more useful than some of Dr Google's advice. It's all very well being told to "use your superpowers" when you haven't the faintest idea what they are, or to "live your best life" when you are trapped in the real

world by financial commitments. Few people have the luxury of becoming a gardener or going into interior design. Only 15 per cent of Britons aged 45-54 have received careers advice in the past three years, compared to two-thirds of those aged 16-24. But while school pupils need all the help they can get, it can be equally bewildering to know what's out there at 50. The very fact that some pioneers are retraining as teachers and psychologists – which society badly needs more of – should be a signal that mid-career learners should be everywhere, not something to be remarked upon.

For many, the biggest barrier is ourselves. Busy people are afraid of stillness. High achievers are afraid of fumbling. My actor friend had to overcome a lifetime of warnings about the perils of theatre to achieve her dream. I recently met a man who had lost his job and whose interim plan had failed. He was lucky enough to be solvent, but he couldn't bear to have nothing to report. "Say you're writing a book," I said. And who knows, maybe he will.

The writer is the author of *'Extra Time: 10 Lessons for Living Longer Better'*

Musk's X (almost) weaned me off Twitter

TECHNOLOGY

Emma Jacobs



The key to breaking my dependency was not detox, or fears about the impact on my brain, but making the substance a bit rubbish.

So thank you, Elon Musk, for stepping in when my willpower failed, and finally forcing me to lose interest in X. I've flirted with other peddlers, hoping they might offer replacement highs – Bluesky and Mastodon – but they lack serendipity and humour.

My dysfunctional relationship with Twitter started 15 years ago after attending a TweetUp gathering of users in a warehouse in Shoreditch, east London, where I met people with stickers displaying their handles. To a newbie, it seemed baffling and banal. But then I gained followers (not many) and it started to make some kind of sense.

In the pandemic, isolated people around the world took to Twitter, for news and company. In its letter to shareholders, the social media site said its active users increased 27 per cent in 2020. It became a news source, live documenting Chesley "Sully" Sullenberger land a near-crashing plane on the Hudson river in 2009, the spread of the Arab Spring in 2011, the growth of #MeToo.

But in a fractured media landscape, ironically, the delight was in forming connections. Whatever your niche, there was someone out there to cohabit it. Recently, I found fellow fans of *Tore*, the Swedish Netflix series. There are communities of art and poetry lovers, as well as nuns, teachers and medics. It could make sports events, or even the daily government Covid briefings, a communal experience.

I enjoyed its absurd humour and inventiveness, such as a 2015 viral 148-tweet thread which started, "Y'all wanna hear a story about why me and this bitch fell out? It's kind of long

It no longer works as a news stream. I refuse to pay for a service that I have given so much content to

but full of suspense." It recounted a story which veered into sex trafficking and violence. The subsequent film adaptation, *Zola*, proved that some stories were better suited to social media.

It was useful for work to find experts and sources. The writer Marian Keyes told me the platform made her aware of changes in language, new slang, and different perspectives. Mainly I lurked and wittered. It suited my personality: more whispered asides than centre-stage monologues.

And yet there was also the misogyny, harassment, the trolls, disinformation and the rage. I detested its tendency for drama and breathlessness. Derek Thompson recently wrote in *The Atlantic* about the "arousing negativity contained in much viral media: indignation, anger, shame". It thrives on the "principles that counsellors implore us to reject" such as "to avoid catastrophic thinking, to cool the fire of anger, to reconstruct their feelings and thoughts to be more patient with themselves". Similarly, a former minister complained to me recently how the government had become caught up in the Twitter treadmill, unable to step back and reflect.

It was shaping my brain too. I would sometimes become paralysed by anticipatory thoughts. The author Mark Haddon struck a chord: "Part of my mind would be constantly alert for, and quietly fashioning, tweetable material, highlighting the more succinctly packagable aspects of what was in front of me and simplifying the more complex aspects."

Occasionally, I would detox to focus on a project, but inevitably I'd return – and the compulsion made me hate it more. It wasn't until Musk took over that the newly named X lost its appeal. The cuts to X's content moderation staff allowed more hate to spew forth. The platform no longer works as a news stream. I refuse to pay for a service that I have given so much content to.

I'll still lurk and post occasionally, hoping in vain, to capture my earlier highs. Like the advertisers, I should just accept it's time to give up – and that, finally, is something to thank Musk for, I guess.

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Some leadership examples to inspire Zelenskyy in 2024

POLITICS

Alec Russell



If Volodymyr Zelenskyy was a Fortune 500 boss, his shareholders would presumably expect him to spend his end-of-year break reading "leadership" books on the art of the regroup, the pivot or the second chapter.

The latest wave of Russian missile and drone attacks on cities across Ukraine caps a tough year for its president. He is learning what charismatic leaders have had to absorb for millennia: that it's all very well embodying a cause, but in difficult times you will be blamed.

He is too busy, of course, fighting Europe's most industrialised war since 1945 to have time to ingest management books. But in the new year spirit of consolation, succour and guidance, if I were in his inner circle I might be tempted to pass on insight from three unflashy leaders I have encountered this year

to sustain him against his ruthless foe. Exhibit A is Siya Kolisi, the captain of South Africa's Rugby World Cup-winning team. His life story embodies perseverance. He grew up in acute poverty and went on to become the first black leader of a team that, under apartheid, symbolised Afrikaner pride. This October, he defied the odds for the second time in a row to win the four-yearly World Cup tournament.

His philosophy is simple: abandon the ego. Kolisi was never one of the team's superstars nor the ultimate strategist. "If I don't know something, I will say I don't know," he told me. "The team is the number one. If someone knows better than me, they must take centre stage and speak. For a leader it shows strength when you know what you don't know."

All war leaders have their moments when they think they know better than their generals, and sometimes they do. Zelenskyy has certainly had his disagreements with his commanders – as was clear this autumn when a top general talked of a stalemate, a term Zelenskyy had all but banned. But as Kolisi would say, when you are on the defensive it can be important to let

your senior teammates speak. However unfairly, Zelenskyy has a reputation in Kyiv for possessing an autocratic mindset. Perhaps he could share the responsibility and limelight with his ministers and other Ukrainian political leaders in the spirit of national unity? This would also send the message to his allies – and their voters – that Ukraine's government is about more than one dynamic man. As a South African put it to me

He could share the load with ministers and other Ukrainian leaders in the spirit of national unity

of Kolisi, "he didn't try to be the boss, to rule by fiat".

A second source of potential reassurance is closer to home: Maia Sandu, president of Moldova. Ukraine's tiny neighbour has also long been in Russia's shadow and it, too, dreams of joining the EU. Sandu's routine is to keep plugging away in tackling corruption in the courts and the political culture, a

problem that plagues Ukraine too. The bravura showmanship of Zelenskyy's public performances was electrifying and essential in 2022. But in the second winter of full-scale war is there a case for a Sandu-esque, less showy yet steely routine? There is something remarkable about this former World Bank official's dogged data-driven style. Leadership is not just about success. It is about persistence, as well.

Sandu accepts some things are out of her control, but believes you have to keep on trying to do the right thing. That surely applies to Ukraine. Advocacy will help, but frustratingly for Kyiv the vital matter of securing funding from the US and EU is out of its hands. For now, the Ukrainians have to get their heads down and build a war economy.

Exhibit C is another fellow head of state, whose capital is some 9,500km to the east of Kyiv. Indonesia's political culture has similarities to Ukraine's. It is an emerging democracy with an elite not always known for the transparency of its dealings. The country's president, Joko Widodo, has made an art form of keeping expectations low.

His routine is to say what he is going to

do, then do it, and then talk about how he has done it. This was how he marketed a vast bridge-building programme. He is now applying the same approach to moving his capital – although here, for once, he may have over-reached when it comes to managing expectations.

It was not Zelenskyy's fault but this summer's Ukrainian counteroffensive became imbued with such excitement that when it petered out the disappointment was all the more acute.

It is commonplace to bemoan the world's lack of leadership. Yes, in western Europe – beyond France's Emmanuel Macron – there are few strategic thinkers. But it is facile to imagine the world was so much better led in the past. There have always been chancers, plodders and followers of the wind.

The coming year will be tough but we should not despair of humanity's ability to rise to a challenge – and we should certainly not despair of Kyiv's. And if Kolisi is right that leadership is all about team-spirit, it's hard to see Russia's Vladimir Putin emerging victorious.

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Companies & Markets

FINANCIAL TIMES



Sweet returns From cocoa to uranium, niche trades paid handsomely this year — MARKETS, PAGE 18

Pacific prize Deep sea miners face hurdles to exploiting green transition minerals — LEX, PAGE 22

Traditional media groups lose \$5bn in race to outgun Netflix

◆ Streaming war costs add up ◆ Merger talk accelerates ◆ Spending cuts loom



Dogfight: Paramount has held talks with 'Top Gun: Maverick' producer Skydance about a possible sale of its Hollywood studio — Paramount/Everett/Shutterstock

ANNA NICOLAOU — NEW YORK
CHRISTOPHER GRIMES — LOS ANGELES

The world's largest traditional entertainment companies face a reckoning in 2024 after losing more than \$5bn in the past year from the streaming services they built to compete with Netflix.

Disney, Warner Bros Discovery, Comcast and Paramount — US entertainment conglomerates that have been growing ever larger for decades — are facing pressure to shrink or sell legacy businesses, scale down production and cut costs following billions in losses from their digital platforms.

Shari Redstone, Paramount's billionaire controlling shareholder, has in effect put the group up for sale in recent weeks. She has held talks about selling the Hollywood studio to Skydance, the production company behind the film *Top Gun: Maverick*, people familiar with the matter said.

Paramount chief executive Bob Bakish also discussed a possible combination with Warner CEO David Zaslav this month. In both cases the discussions were said to be at an early stage and people familiar with the talks warned a deal might not materialise.

Beyond their streaming losses, the traditional media groups are facing a

weak advertising market, declining television revenues and higher production costs following the Hollywood strikes.

Rich Greenfield, an analyst at LightShed Partners, said Paramount's deal discussions were a reflection of the "complete and utter panic" in the industry. "TV advertising is falling far short, cord-cutting is continuing to accelerate, sports costs are going up and the movie business is not performing," he said.

"Everything is going wrong that can go wrong. The only thing [the companies] know how to do to survive is try to merge and cut costs."

But as the traditional media owners struggle, Netflix, the technology group that pioneered the streaming model, has emerged as the winner of the battle to reshape video distribution.

"For much of the past four years, the entertainment industry spent money like drunken sailors to fight the first salvoes of the streaming wars," Michael Nathanson, an analyst at MoffettNathanson, wrote in November. "Now, we are finally starting to feel the hangover and the weight of the unpaid bar bill."

For companies that have been trying to compete with Netflix, Nathanson added, "the shakeout has begun."

After a bumpy 2022, Netflix has set

itself apart from rivals. Earnings for its most recent quarter soared past Wall Street's expectations as it added 9mm new subscribers — the strongest rise since early 2020, when Covid-19 lockdowns led to a jump.

"Netflix has pulled away," says John Martin, co-founder of Pugslist Capital and former chief executive of Turner Broadcasting. For its rivals, he said, the question is "how do you create a viable streaming service with a viable business model? Because they're not working."

The leading streaming services raised prices in 2023. Now, analysts, investors and executives predict consolidation next year as some smaller services combine or bow out.

Warner, home to HBO and the Warner Bros movie studio, made a small profit at its US streaming services this year, in part by raising prices, culling some series and licensing others to Netflix. However, this has come at a price: Warner lost more than 2mm streaming subscribers in its past two quarters.

The company, which merged with rival Discovery last year, has long been rumoured as a potential takeover candidate, with Comcast seen as the most likely buyer. But Zaslav in November hinted that his group wanted to be an

acquirer instead of a target. The terms of the Warner-Discovery merger barred the group from dealmaking for two years. That period expires on April 8.

Disney, the largest traditional media company, is in a restructuring that has featured 7,000 job cuts. It lost more than \$1.6bn from its streaming businesses in the first nine months of 2023, during which its Disney+ service gained 8mm subscribers.

Bob Iger, Disney chief executive, this year openly pondered whether some of its assets still fit within the company, prompting speculation that he was considering disposals.

Paramount's shares have risen almost 40 per cent since early November as sale speculation mounted. The stock rose sharply after the Skydance talks were reported but both Paramount and Warner shares fell after news of their discussions came to light.

But Greenfield said merging two companies with loss-making streaming services and large portfolios of declining television assets was not the answer.

"The right answer should be, let's stop trying to be in the streaming business," he said. "The answer is, let's get smaller and focused and stop trying to be a huge company. Let's dramatically shrink."

Europe banks lag behind despite €100bn windfall

STEPHEN MORRIS — BANKING EDITOR

European banks have received a €100bn windfall from rising interest rates over the past two years, but the long-awaited boost has failed to close a persistent valuation gap.

Net interest income climbed from €270bn in 2021 to an estimated €378bn this year, according to data from UBS, after central banks raised rates rapidly. Loans have grown only 2 per cent in that time, meaning most gains are from wider margins between what banks charge for loans and pay on deposits.

The earnings fillip has allowed European banks to increase dividends and buybacks to €121bn for 2023 from €90bn in 2021. But while better capital returns have translated into double-digit stock price gains for many, most still trade at steep discounts to the book value of their assets and their US peers.

"European banks have outperformed the market by more than 50 per cent [since year-end 2020] and yet still trade at valuations which imply earnings power 30 per cent below our forecasts," said Jason Napier, an analyst at UBS.

The biggest concern for executives vying to attract new money is that central banks may start to cut rates as soon as March, renewing pressure on net interest margins. NIM had only just started to recover after a decade of negative or ultra-low rates.

Fears of recession, weak loan demand, the potential for much higher capital requirements and rising defaults are also weighing on bank shares. "With policy rates next due to fall, macroeconomic growth sluggish and tax and regulation changes making life harder, for bank shareholders there's a clear cyclical incentive to exit," Napier said.

UBS forecasts that loan-loss provisions will hit €63bn next year, up from €31bn in 2021. That is still a manageable level given banks' capital buffers but it

European banks' net interest income climbed from €270bn in 2021 to an estimated €378bn this year



will eat into cash that could otherwise be used for buybacks or dividends.

The sector is also suffering from the fallout of a shortlived banking panic this year, when three US regional lenders and Credit Suisse failed, forcing governments to broker rescue deals.

Some are more bullish. Activist investor Cevian Capital bought €1.2bn of UBS stock this month, betting the Swiss wealth manager can close the valuation gap with US peer Morgan Stanley. Outgoing Morgan Stanley chief James Gorman last week said he expected the European discount to narrow.

Technology

China's Luxshare buys iPhone plant from Taiwan's Pegatron

EDWARD WHITE — SHANGHAI
NIAN LIU — BEIJING

Apple supplier Luxshare is taking over an iPhone assembly factory from Taiwanese rival Pegatron, as the Chinese contract manufacturer deepens its relationship with the US technology giant.

Luxshare, the second-largest iPhone manufacturer after Foxconn, will pay about \$300mn to acquire a 62.5 per cent stake in a facility in Kunshan, a city north-west of Shanghai, according to a Pegatron filing on the Taipei Exchange.

The deal is the latest example of how ties between Apple and China have, in some areas, strengthened in spite of growing geopolitical tensions between Washington and Beijing.

In recent years, Chinese-owned electronics contract manufacturers, including Luxshare, Goertek and Wingtech, have boosted their share of Apple business. Earlier this year, Luxshare clinched contracts to assemble premium iPhone models.

Foxconn, Apple's biggest supplier, has been under increasing pressure from

Luxshare, which is assembling a greater number of sophisticated devices. The Shenzhen-based company is the sole assembler of Apple's Vision Pro mixed-reality headset.

"Luxshare's pricing is more aggressive. They manage their cost control better, making their quotes to Apple more competitive," said Qi Yingnan, an analyst at Counterpoint Research.

Earlier this month, Luxshare clinched a deal with US chip company Qorvo to buy assembly and testing operations owned by the group in Beijing and Dezhou, south of the capital.

Citi analysts said the Qorvo acquisition would "increase Luxshare's capabilities and talent pool", opening the door to more US customers.

As Apple expands its relationship with some Chinese manufacturers, it is also working to diversify its supply chain outside the country.

This month, the Financial Times reported that Apple was pushing for batteries for its latest iPhones to be made in India.

Additional reporting by Hudson Lockett in Hong Kong

Retail & consumer. Marketing

AI-created influencers secure business at expense of human counterparts

Brands turn to increasingly realistic digital creations that are cheap and easy to control

CRISTINA CRIDDLE

Pink-haired Aitana López is followed by more than 200,000 people on social media. She posts selfies from concerts and her bedroom, while tagging brands such as haircare line Olaplex and lingerie group Victoria's Secret.

Brands have paid about \$1,000 a post for her to promote their products on social media — despite the fact that she is not real. Aitana is a "virtual influencer" created using artificial intelligence tools, one of hundreds of digital avatars that have broken into the growing \$21bn content creator economy.

Their emergence has led to worry from human influencers their income is being cannibalised and under threat from digital rivals. That concern is shared by people in more established professions that their livelihoods are under threat from generative AI — technology that can churn out humanoid text, images and code in seconds. But

those behind the hyper-realistic AI creations argue they are merely disrupting an overinflated market.

"We were taken aback by the skyrocketing rates influencers charge nowadays. That got us thinking, what if we just create our own influencer?" said Diana Núñez, co-founder of the Barcelona-based agency The Clueless, which created Aitana. "The rest is history. We unintentionally created a monster. A beautiful one, though."

Over the past few years, there have been high-profile partnerships between luxury brands and virtual influencers, including Kim Kardashian's make-up line KKW Beauty with Noonouri, and Louis Vuitton with Ayayi.

Instagram analysis of an H&M advert featuring virtual influencer Kuki found that it reached 11 times more people and resulted in a 91 per cent decrease in cost per person remembering the advert, compared with a traditional ad.

"It is not influencing purchase like a human influencer would, but it is driving awareness, favourability and recall for the brand," said Becky Owen at Billion Dollar Boy, an influencer marketing agency. Brands have been quick to engage with virtual influencers as a way

to attract attention while reducing costs.

"Influencers themselves have a lot of negative associations related to being fake or superficial, which makes people feel less concerned about the concept of that being replaced with AI or virtual influencers," said Rebecca McGrath, associate director for media and technology at Mintel.

"For a brand, they have total control versus a real person who comes with potential controversy, their own demands, their own opinions."

Human influencers contend that their virtual counterparts should have to disclose that they are not real. "What freaks me out about these influencers is

how hard it is to tell they're fake," said Danae Mercer, a content creator with more than 2mm followers.

The UK's Advertising Standards Agency said it was "keenly aware of the rise of virtual influencers" but said there was no rule where they must declare they are generated by AI. Although The Clueless discloses Aitana is fake through the hashtag #aimodel in her profile on Instagram, many others do not do so or use terms such as #digitalinfluencer.

"Even though we made it clear she was an AI-generated model . . . initially, most of her followers didn't question her authenticity, they genuinely believed in her existence," said Núñez,

who said that Aitana has received requests to meet followers in person.

One of the first virtual influencers, Lil Miquela, can charge hundreds of thousands of dollars and has worked with Burberry, Prada and Givenchy.

Although AI is used to generate content for Lil Miquela, the team behind the creation "strongly believe [the storytelling behind virtual creators] cannot be fully replicated by generative AI", said Rihima Kahn, vice-president of business development at Dapper Labs, who oversees Lil Miquela's partnerships.

"A lot of companies are coming out with virtual influencers they have generated in a day, and they are not really putting that human element [into the messaging] . . . and I don't think that is going to be the long-term strategy."

Lil Miquela is considered by many to be mixed race, and her audience of nearly 3mm followers ranges from the US to Asia and Latin America. Meanwhile, The Clueless now has another creation in development, which it calls a "curvy Mexican" named Laila.

Francesca Sobande, a lecturer in digital media studies at Cardiff University, has researched virtual influencers with racially ambiguous features and sug-

gests the motivations behind giving these characteristics are "simply another form of marketing" to target a broader audience, when "something has been created with a focus on profit". She added: "Seldom does it seem to be black people" creating the virtual avatars.

Dapper Labs said the team behind Lil Miquela is diverse and reflects her audience. The Clueless said its creations were designed to "foster inclusivity".

The Clueless's creations, among others, have also been criticised for being overly sexualised, with Aitana regularly appearing in underwear. The agency said sexualisation is "prevalent with real models and influencers".

Mercer, the human influencer, argued: "It feels like women in recent years have been able to take back some agency, through OnlyFans, through social media, they have been able to take control of their bodies and say 'for so long men have made money off me, I am going to make money for myself'".

But she said AI-generated creations, often made by men, were once again profiting from female sexuality. "That is the reason behind growing these accounts. It is to make money."

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The Clueless, the team behind AI-created Aitana López, say they have received requests for her to meet followers in person

COMPANIES & MARKETS

Technology

Huawei claims sales boom has broken US 'siege'

Chinese group defies sanctions with highest revenues since 2020

EDWARD WHITE — SHANGHAI

Chinese technology group Huawei has reported its highest revenues in three years after weathering the "storm" of a barrage of sanctions from Washington. The world's biggest telecoms equipment producer, as well as a top smartphone manufacturer, said yesterday

that full-year sales would be more than Rmb700bn (\$99bn) this year, up 9 per cent from Rmb642.3bn in 2022. The company did not provide more detailed earnings results.

Shenzhen-based Huawei, led by founder Ren Zhengfei, has been at the heart of US-China tensions for several years amid Washington's belief that the company poses national security risks stemming from alleged state and military links.

While its 2023 revenue is 20 per cent below the 2020 peak, the company

struck an optimistic tone. "After years of hard work, we've managed to weather the storm. And now we're pretty much back on track," chair Ken Hu said in a statement. "Shared conviction has helped us break the siege and forge ahead together," he added.

The stronger results came just months after the group stunned many experts in the US with the release of a new phone containing a cutting-edge computer chip made with partners in China.

The group was brought to its knees in

2020 after the US government curbed supplies of computer chip technology made using American equipment and software.

Huawei's relationship with the west was further complicated by the detention in Canada of Meng Wanzhou, the daughter of the company's founder and presumed heir who faced US extradition charges, and Beijing's retaliatory detention of two Canadians in China.

Progressively more severe US sanctions, imposed on national security grounds, required Washington's

approval for Huawei to access US technology for components, choking supplies of key parts used by the company.

Revenues in 2021 fell almost a third to Rmb636.8bn, from Rmb891.4bn the previous year, dragged down by sharp declines for core businesses such as making smartphones and selling infrastructure equipment to telecoms carriers around the world.

While as many as 170 countries have used Huawei hardware in their telecoms networks, the company's offshore sales — in network equipment and

smartphones — have suffered as a result of the US sanctions.

Huawei says its accounts are audited by KPMG. However, the Rmb700bn headline sales figure is not audited and it did not publish individual earnings results from its key business segments.

The company said about a quarter of its revenue in 2022 was channelled into research and development efforts.

Hu thanked "every member of the Huawei team for embracing the struggle" and their family members for "quiet and unfailing support".

China's 'Musk' splits opinion as he takes his own road towards electric car dream

Spotlight

William Li

Co-founder and chief executive, Nio

Sporting a fresh cropped haircut, Nio co-founder and chief executive William Li was greeted like a rock star by tens of thousands of devoted fans on Saturday night as he took to the stage at the Olympic stadium in Xi'an, China's ancient central capital.

Li, who is often referred to as China's Elon Musk, has sparked division among investors and analysts. Some see his bet on battery-swapping technology — which is at the heart of the electric vehicle group's business plan — as unworkable outside China's big cities.

Others question the financial sustainability of his premium electric vehicles business, which, nearly a decade after being founded in 2014, remains in a fight for survival as it struggles with heavy losses and the high costs of rolling out its battery-swapping infrastructure.

However, the fervour among customers braving the sub-zero temperatures at the annual "No Day" at the weekend was a reminder that Li's fledgling group strikes a chord with many younger drivers in the world's biggest electric-car market.

"William Li is a pioneer. He is effectively China's Elon... if we are looking at branding, looking at bold moves," said Tu Le, founder of Beijing-based advisory company Sino Auto Insights.

Nio's sales to the end of November this year are up 33 per cent at about 142,000 vehicles, putting it ahead of almost all foreign brands in China's EV market, though well behind Tesla and Warren Buffett-backed BYD, according to HSBC data.

But making cars is notoriously expensive. Five years after listing on New York's Nasdaq stock exchange, Nio still loses \$12,000 for every car that rolls off its production lines, president and co-founder Lihong Qin told the Financial Times recently.

Li, 49, founded his first business while studying sociology and law at



'William Li is a pioneer. He is effectively China's Elon... if we are looking at branding, looking at bold moves'

Peking University more than two decades ago, funding the company by taking side-jobs as a computer programmer. A serial entrepreneur, he ultimately started dozens of companies and took three public.

The biggest venture before Nio was Bitauto, China's first online car sales channel, which he founded in 2000 and floated on Nasdaq in 2010.

Choking air pollution in China's cities in the 2000s made him consider an electric vehicle business next. Nio's Chinese name, "wei lai", translates to "blue sky coming".

Li's motivation was not just environmental. He believed traditional carmakers had lost their way on customer service. Speaking to the FT in 2018, he recalled how this was finally brought home to him at an Audi showroom at Munich airport.

Audi was then one of the top-selling car brands in China and Li himself owned several of its cars. But, instead

of acknowledging him as a loyal customer, the sales staff launched into a hard sell.

The episode spawned an idea — that customers should be treated as members of a club rather than sales targets. "The future of a brand or a company is not about the boundaries of the product... It's actually going to be defined by the user groups that they provide services to," he said at the time.

His vision appears, in part, to have been vindicated. Backed by an enthusiastic group of drivers, Nio has overtaken Audi in sales in Shanghai as the market share of foreign carmakers in China has collapsed.

Today, Nio users can directly message Li through an app to share their thoughts and ideas about the company's cars and services.

Senior executives have become grudgingly accustomed to receiving messages from their boss, "maybe in

the middle of the night", inquiring whether a user's idea can be implemented, according to a senior consultant who works with the business. "He really drives and lives and embraces and pushes this concept of user-centricity. You feel this throughout the whole company," the consultant said.

However, Li has pinned a lot of faith in making cars with swappable batteries, a different approach from Tesla, gambling that in big cities consumers will prefer this technology, which takes a matter of minutes compared with the slower process of charging a car individually.

In recent months, Li has secured partnerships with Geely and Changan, two of China's biggest car groups, to develop battery-swapping technology and infrastructure with the aim of lowering costs through scale.

And yet, like Musk, Li is both nimble and has a knack for eye-catching

Taking a stand: William Li inspires great loyalty among Nio fans, but critics worry about the group's bet on battery swapping and its financial sustainability

Olai Shery/Bloomberg

stunts. In December, millions watched as he live-streamed a 14-hour drive from Shanghai to Xi'an. The 1,000km journey showcased a new long-range battery technology for individual cars developed by Nio. It was also recognition that the company needs alternative technology to its shorter-range swapping network.

Still, Li has not managed what Musk succeeded in doing in converting online enthusiasm into profits.

In its New York stock market listing in 2018, Nio revealed it had lost \$1.6bn in three years while making almost zero revenue.

The company was bailed out to the tune of nearly \$1bn in 2020 by state-owned enterprises from the eastern Chinese province of Anhui.

And, facing intense competition from Tesla and BYD, along with fellow start-ups Li Auto and Xpeng and established carmakers such as Volkswagen and Ford, Nio has missed production targets and recorded big losses. Its shares are below their IPO value and have lost more than 85 per cent since their 2021 peak.

This month, Nio secured \$2.2bn from CYVN, an investment group from Abu Dhabi, the second time the Middle Eastern investor has pumped money into the company after a \$1bn injection in July.

Investors and analysts are worried that Li, under financial pressure, could undermine Nio's established reputation as a premium car brand by chasing higher sales volumes with lower-cost models.

Some also argue the company, which is building a business in Europe, could benefit from a more focused effort on domestic sales before trying to expand overseas, particularly with rising protectionism and anti-Chinese sentiment in the US.

But Li looks like a survivor. If he is troubled by his company's financial outlook, he did not show it in Xi'an on Saturday. Such was the demand to attend the Nio Day, tickets were available only through a lottery system. Beaming, he unveiled a new car, a new computer chip and the latest improvements to Nio's "beautiful" solar-powered battery-swapping stations. Each announcement, of course, was met with applause from the Nio tribe. "William is crazy," joked one employee. "His fans are too."

Edward White and Peter Campbell

Retail. Expansion strategy

Nike challenger Anta seeks to regain momentum in Chinese sportswear race

Xiamen-based brand hopes US listing of Wilson racket owner will bring funds to spur growth

ELEANOR OLCOTT — HONG KONG

In 1987, a teenage Ding Shizhong boarded a train from the southern Chinese city of Fuzhou to Beijing, carrying leather shoes made at his family's factory in the coastal province of Fujian.

The 17-year-old managed to bargain his way into selling the shoes they made in the capital's department stores. It marked the start of his company Anta Sports' evolution from being a little-known provincial shoemaker to last year overtaking Adidas to become the second-largest sportswear retailer in China behind Nike, with annual revenues of \$7.8bn.

"Ding realised early on that the money is in the brand, not the making of the product," said one person close to Anta's management.

But after years of rapid growth, the company is now "at a crossroads," according to Shaun Rein, founder and managing director of the China Market Research Group.

"The Anta brand's growth in China is slowing, and it's unclear whether the

group is well positioned to capture evolving Chinese trends in sportswear," he said. Anta declined to comment.

It is one of several sportswear companies known as the "Fujian Tigers" that emerged in the 1980s and manufactured clothing and shoes for western brands, including Nike. After listing in Hong Kong in 2007, Anta has been snapping up foreign brands to target higher-spending consumers and, more recently, push into fast-growing niche sportswear categories.

In 2009, it bought the China rights for Italian sportswear company Fila and 10 years later, it led a €5.6bn takeover of Finland's Amer Sports, which owns a portfolio of brands including Arc'teryx and Wilson tennis rackets.

"There is no possibility of creating an Arc'teryx or Wilson with the branding power of Chinese companies today. But it is possible to create this through an acquisition strategy and growing in the China market," said Ding, who has risen to be the company's chair, at the time.

With Anta on the hook for a €1.3bn loan expiring in March that its consortium took out to complete the 2019 deal, investors are focused on whether it can pull off a successful IPO of the Amer Sports business.

The company has been targeting a New York listing early next year, accord-

ing to people familiar with the matter, which would provide funding to turbocharge growth in China and help Anta pay down the debt from the acquisition. The goal is to raise more than \$1bn at a \$10bn valuation, but those people cautioned there could be a delay due to unfavourable market conditions.

Up to June this year, Anta had reported Rmb1.8bn (\$250mn) in accumulated losses on the acquisition.

"Profit levels should rise significantly with a successful IPO that allows them to pay down the debt," said Melinda Hu, a retail analyst at Bernstein.

In its home market, the top three domestic sportswear companies Anta, Li Ning and Xtep have suffered slower

growth in 2023 due to weaker consumption, and the market capitalisation-weighted average performance of Chinese brands is down by 26 per cent year on year, according to HSBC analysts. Market leader Nike itself announced a new restructuring programme last week, blaming it in part on weak demand in China.

Meanwhile, revenue growth from the Chinese company's Anta brand, which accounts for just over half of sales, has petered out, after a boom driven in part by a patriotic boycott of foreign brands over their stance on Xinjiang cotton products made using forced labour.

Hu said the group's acquisitive strategy has resulted in under-investment in



Anta began operations as a provincial shoemaker and has become the second-largest sportswear retailer in China, behind Nike

— Thearon W. Henderson/Getty Images

its main label. "They've allocated more resources to mergers and acquisitions and turning around brands they've bought than investing in the Anta brand," she said.

In another challenge, higher-end Fila, which accounted for about 40 per cent of revenue in the first half of 2023, is coming under pressure from incomers such as Lululemon Athletica, Hoka and On Running.

Lululemon said its revenue in China grew 61 per cent in the three months to June and that it wanted to triple the number of stores in the country to 220 by 2026.

"[The] Chinese are doing a wider range of sports at a high level. This new batch of athletes creates opportunities for foreign brands with strong product lines in the west," said Allison Malmsten, a sports-wear analyst at Daxue Consulting.

"Anta is being outcompeted by hotter brands with a true sports heritage," said Rein. "The trend is not looking fit and healthy but actually being fit and healthy. This is a problem for Fila," added Rein.

In response to the new trends and increasing competition, Anta has introduced more technical and functional Fila products while cutting underperforming product lines, said Walter Woo,

a retail analyst at the Hong Kong-based bank CMB International.

It has also taken a majority stake in Maia Active, a Shanghai-based "athleisure" brand, with an annual turnover of Rmb400mn and formed joint ventures with Japanese skiwear company Descente and South Korean outdoor sportswear group Kolon Sports to sell their products in China.

In 2020, Anta overhauled its business model after being attacked by short seller Muddy Waters for allegedly inflating revenues through a network of "secretly controlled" distributors. It denied the allegations.

The company shifted from a 20-year-old wholesale distribution model by taking control of stores in cities, which helped it ensure quality while repairing its image with investors, said Hu.

The direct connection with customers also allowed Anta to adapt rapidly to emerging trends, with lead times of just three months to bring products to stores, compared with 18 months for foreign brands, company insiders said.

It is an ability that will serve it well as competition mounts. "Anta is quick to respond to new trends and bring products to market," said one senior executive at a rival. "They're fast learners."

Additional reporting by Annachiara Biondi in London

COMPANIES & MARKETS

Anti-obesity drugs lift ambitions of world's largest charitable foundation

Sales surge has allowed Novo Nordisk's controlling investor to broaden its philanthropic horizons

HANNAH KUCHLER — COPENHAGEN

A century ago, the makers of a revolutionary new drug called insulin promised not to make “nasty profits”. Their commitment created what is now the world’s largest charitable foundation, fuelled by the latest big development in medical science: anti-obesity drugs.

The Novo Nordisk Foundation is the controlling shareholder of Danish drug-maker Novo Nordisk, now Europe’s most valuable company thanks to soaring sales of weight loss and diabetes drugs Wegovy and Ozempic. The foundation holds 77 per cent of Novo’s voting rights and 28.1 per cent of its shares.

Chief executive Mads Krogsgaard Thomsen told the Financial Times in an interview at the foundation’s headquarters in Copenhagen that the soaring popularity of the drugs, known as GLP-1s after the hormone they mimic, took him by surprise. “It is a little bit of a dream come true.”

Before he came to run the foundation, Krogsgaard Thomsen was chief scientific officer of Novo Nordisk. As such, he helped lead the development of the drugs that have transformed the company’s fortunes. Thanks largely to Wegovy and Ozempic, the foundation’s assets under management have risen 300 per cent in the past 10 years and, according to Krogsgaard Thomsen, it is now looking to expand overseas.

“It is very satisfying to have created or been responsible for creating all these medicines. And now, realising that some of the profits that they generate, we can return back to society in the form of philanthropy, in the form of research, grants, education and even, sometimes, investments.”

In the early 1920s, Danish Nobel laureate August Krogh was on a speaking tour in the US when he heard about the discovery of insulin. His wife Marie, a doctor, had diabetes and urged him to travel to Canada to seek permission from scientists to produce the medicine in Scandinavia.

According to Krogsgaard Thomsen, the scientists said yes – with one condition: that the company Krogh formed with scientist Hans Christian Hagedorn and pharmacist August Kongsted, initially called Nordisk Insulinlaboratorium, would not make “nasty profits”. Instead, they said the proceeds should be invested in research.

This was achieved by creating a foundation to own the company a year after it was set up. Foundation ownership is common in Denmark: brewer Carlsberg and shipping company Maersk are also partly owned by foundations.

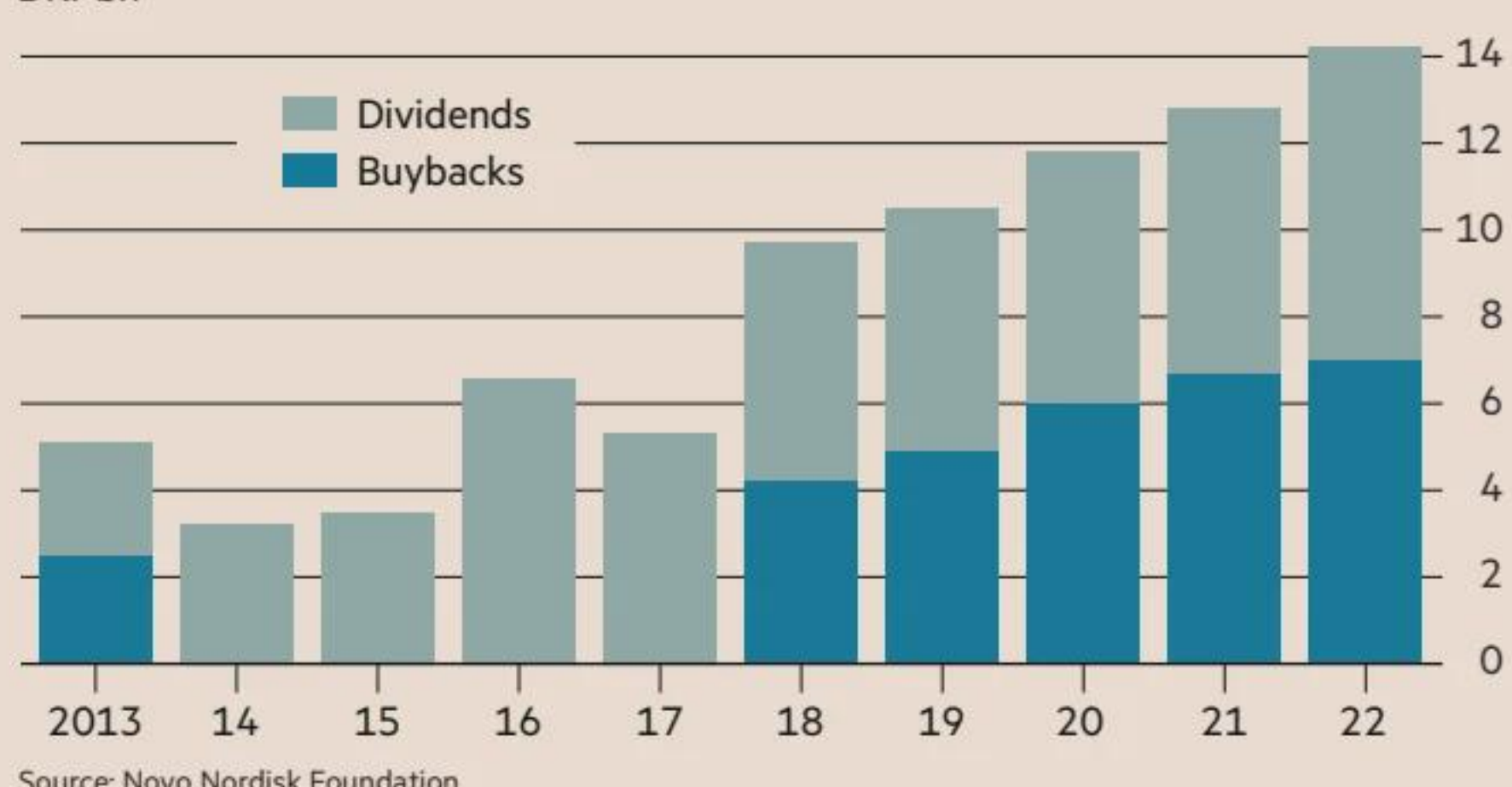
In Novo Nordisk’s case, thanks to the success of GLP-1s, its owner is now bigger than the Bill & Melinda Gates Foundation or the Wellcome Trust, the two other powerhouses of medical research funding and philanthropy.

In the past 10 years in particular, the money Novo Nordisk pays to it in dividends and share buybacks has soared, rising about 180 per cent over the period to Dkr14.2bn (\$2.1bn) last year. As of the end of last year, the foundation had Dkr805bn, or \$116bn, of assets.

It pays out less than its two better-known peers because its assets are less liquid and its aim is to exist forever, said Krogsgaard Thomsen. But with distributions of about 4 per cent of its assets each year, it is still one of the top three philanthropic organisations by granting capacity.



Money the foundation has received from Novo Nordisk Dkr bn



Source: Novo Nordisk Foundation

The foundation's assets have risen sharply in recent years Total investment assets (DKr bn)



The success of diabetes treatment Ozempic and weight loss drug Wegovy has helped the foundation’s assets under management rise 300% to \$116bn in 10 years. Below, CEO Mads Krogsgaard Thomsen



One of its aims is to try to tackle the root causes of obesity and diabetes. It also funds research on stem cell science and climate change and gives to humanitarian causes, such as providing shelters and essential medicines to Ukraine.

In all, Krogsgaard Thomsen feels it is time for the foundation to build its international profile. “I don’t think, five years ago, you would have known who the foundation was, so we are changing quite a bit,” he said.

Novo Nordisk has become the largest company in Europe by market capitalisation because of soaring demand for its weight loss and diabetes drugs. So far, shortages mean Wegovy is available in only a handful of markets – and at a considerable cost. The US price is more than \$1,300 a month.

But the foundation wants to use these new riches to invest in earlier-stage research on obesity and other cardiometabolic diseases – which include diabetes, strokes and heart attacks – and, ultimately, in cheaper treatments.

Krogsgaard Thomsen said cardiometabolic disease was “grossly underfunded”, compared with philanthropic efforts to fight infectious diseases, particularly in poorer countries. More people die of cardiovascular disease than infectious diseases, he added, and, as Covid-19 showed, the former can increase the risks from the latter.

The foundation is funding a Center for

Basic Metabolic Research, a collaboration with the genomics-focused Broad Institute in Boston, and has set up a Centre for Childhood Health that aims to promote healthy weight for children.

In parts of India and east Africa, it is teaching healthcare professionals to improve the prevention and treatment of noncommunicable diseases, such as diabetes. It recently opened its first office in Delhi.

The foundation stressed it was a separate entity from the company Novo Nordisk, which has had some back office operations in India for many years.

Another difference is that the foundation can share its findings with health systems more widely because, unlike a company, it has no need to protect proprietary data. While the company does give away generic insulin in developing markets, the foundation can focus on running programmes using cheap generic drugs – those available now, such as statins to lower cholesterol, and later GLP-1s, when they go off patent.

Martin Ridderstråle, senior vice-president of medical science at the foundation, said moving away from cardiometabolic disease management to a cure is a “must win” for the next five to 10 years.

“If you have cancer, the next word that you want to hear is cure, right? You don’t expect me to tell you that I’m going to help manage your cancer. But if I tell you have diabetes, I will tell you: I will

‘I don’t think, five years ago, you would have known who the foundation was, so we are changing quite a bit’

help you not cure it but manage the disease. That is strange. There is a need for a paradigm shift.”

Many of the foundation’s aims have long time horizons. Last year, it launched reNEW, the Novo Nordisk Foundation Center for Stem Cell Medicine, supporting research in Denmark, Australia and the Netherlands. Krogsgaard Thomsen is excited about the potential of stem cells. These are produced in the bone marrow and scientists have learnt how to change them into other types of cells.

He said that in the space of two to three weeks, “we can create any human cell type, fully differentiated, fully competent in the lab . . . We can actually regenerate the tissues that are lost – beta cells for diabetes, dopaminergic neurons for Parkinson’s disease, beating heart cells for heart failure.”

Now, the challenge is to produce these cells at scale and at a high enough purity that they could be used for treatments.

In total, the foundation has invested more than Dkr3bn (\$400mn) on stem cell research, including a new manufacturing facility.

“When I was head of R&D I felt constantly that I had to make sure that I invested every single Danish krone to the maximum value of future patients and shareholders. Here we can do the same, but we can also make some riskier bets,” Krogsgaard Thomsen said.

Financials. Interest rate hit

T Rowe Price chief says worst of outflows is over after poor performance

Investors are set to withdraw \$80bn this year after ‘perfect storm’ affected asset manager

MADISON DARBYSHIRE — NEW YORK

T Rowe Price’s chief executive has said the worst is over for the asset manager after the heaviest year of outflows in its history, with more than \$80bn expected to leave the platform.

“My sense is we are approaching the end of the more intense period of outflows,” chief executive Rob Sharps told the Financial Times. “In certain, very visible, aspects it was a very disappointing year. In particular, the flow picture and the business that we lost.”

The active equity house has faced problems since early 2022, when poor performance in some of T Rowe’s largest growth equity strategies sent investors running for the exits.

But outflows gained momentum this

year, as the knock-on effects of poor performance were compounded by higher interest rates aimed at reining in inflation, geopolitical instability and uncertain markets. Money market funds saw record inflows of \$1.2tn, as yields hit highs not seen for decades and kept investors sitting in cash.

“Outflows this year were more than what I forecasted,” said Sharps, who took over as the head of T Rowe Price at the start of 2022. The Baltimore-based manager is facing its 11th consecutive quarter of outflows, with more than \$140bn fleeing the platform since the start of 2022.

Investor reticence caught the active manager off guard, intensifying outflows even as the market, and performance, seemed to bounce back. “Across investor types, individual and institutional, there was more conservatism than there typically is, especially when the S&P 500 is up 20 per cent and you’re not in a recession,” Sharps said.

Growth for T Rowe, which has \$1.4tn

under management, is not expected to turn positive until 2025 at the earliest, the company said. The firm has had two rounds of lay-offs in the past two years to try to reduce expenses.

“It’s been a bad year for equity flows, and particularly bad for US equity flows, and particularly bad for actively managed funds. It’s been a perfect storm for T Rowe because they check all of those boxes,” said Alex Blostein, an analyst at Goldman Sachs.

T Rowe Price has long held a reputation as a top active manager in US equities. In the decade to 2020, 82 per cent of all its mutual funds outperformed their benchmarks, according to Morningstar, and more than half were in the top 25 per cent in their category.

But when interest rates started to rise in the first half of 2022, T Rowe’s growth equity strategies – some of its flagship products – struggled.

A steady stream of new capital chasing returns helped blunt the impact of industry trends such as the explosive

growth of the low-cost passive investment providers that rocked active managers. “They had good performance so could still show growth even though active management was struggling,” said Brennan Hawken, an analyst at UBS. “They were victims of their own success. Interest rates went up, and growth equity is the ultimate long duration asset. When performance



Despite improved performance, outflows at T Rowe Price continued

deteriorated . . . outflows picked up, and this year has been really bad.”

Continued competitive pressures from lower-cost passive index providers and ETFs have pushed down fees for all active managers too, hurting the revenue they earn on assets under management even as those assets fall. T Rowe’s fee rate has come down 8.2 per cent in the past three years, according to UBS.

But even as performance has rebounded this year T Rowe’s outflows have persisted: an aftershock related to industry dynamics. While retail investor dollars tend to move quickly after poor performance, large institutions have a long evaluation process to change management firms, meaning outflows can stretch out over years.

Investors are unlikely to return to the funds they’ve left. “Once people leave, they don’t go back to the same vehicles,” Blostein said. Assets that do come back have largely gone into ETFs or passive funds.

T Rowe’s low-cost active ETF business

Energy

Norway’s Statkraft to upgrade dams as storms grow worse

RACHEL MILLARD

Europe’s biggest renewable energy producer Statkraft is spending €700mn upgrading its hydropower dams to help them withstand heavier rains, highlighting the risks posed by climate change to energy security and companies’ finances.

The Norwegian state-owned company said it planned to strengthen more than 70 dams over the next five to 10 years, describing the work as “climate change resilience and energy security in practice”.

“We have several projects to strengthen our dams so they can be resistant to extreme rain to an extent we have not had before,” chief executive Christian Rynning-Tønnesen said.

Dams set to be upgraded include the 130 megawatt Trollheim hydropower plant in southern Norway, the 106MW Høyanger plant in the west, and the 500MW Rana plant in the north. Hydropower is essential to Norway’s energy system, with almost 1,800 hydropower plants accounting for almost 90 per cent of its electricity production.

The resource has helped Norway become an important exporter of electricity to Britain and the EU, with a 450-mile cable between Norway and England opened in October 2021.

But Statkraft said the company had observed an “increase in unexpected heavy rains and extreme weather due to climate change”, adding this was a “very serious development that [. . .] we need to be especially aware of”.

In August, the dam at the Brakeriedfoss power plant, owned by Hafslund Eco in southern Norway, partially collapsed in heavy rains, while excess water also damaged the power plant.

Protecting dams from heavy rains is a growing focus for hydropower operators: several dams in France have been equipped with special systems to help them release water. Statkraft said its work includes building “new spill-gates which are able to handle large amounts of water in a short amount of time”, while some dams will be replaced.

As global warming increases, it causes more extreme and frequent weather events, exacerbating floods and droughts. The global temperature rise is already at least 1.1C since pre-industrial times.

Extreme rains are not the only climate change-related threat to hydropower producers. Last year the Norwegian government raised the prospect of curbing electricity exports after dry weather depleted reservoirs.

Statkraft said the €700mn of work to reinforce the dams was also driven by the “increased threat of terrorism related to critical infrastructure”, but declined to give more details.

It comes as the company is working to expand its renewables portfolio and branch out from Norwegian hydropower. This accounts for the bulk of its 19GW of generation capacity but it also has wind, gas, biomass and solar plants in the UK, EU and elsewhere.

Statkraft is aiming to develop 2.5GW-3GW of new renewable energy capacity a year by 2025 and 4GW a year by 2030. In a major deal in November, it agreed to buy the Spanish renewable energy company Enerfin, which has a portfolio of about 1.5GW of wind and solar power either up and running or being built for €1.8bn.

COMPANIES & MARKETS

Sport. Football

Ratcliffe's tough time at Nice offers lessons for Man Utd

Media

Revenue at Beckham's business empire more than doubles

DARIA MOSOLOVA
AND LAURA ONITA

David and Victoria Beckham more than doubled revenue from their business empire last year thanks to the former footballer's Netflix and Amazon deals and tie-ups with other brands.

DRJB Holdings, a company that includes David Beckham's earnings from sponsorships and creative content, more than doubled revenue to £72.6mn in 2022. Operating profit rose to £21.9mn from £16mn but pre-tax profit fell to £10.8mn from £23.5mn during the period after administrative charges.

The Beckhams also took out £827,499 in dividends in 2022, down sharply from £6.3mn the previous year, according to accounts filed at Companies House.

The results come after the former Manchester United midfielder sold 55 per cent of his business to US-based Authentic Brands for reportedly hundreds of millions of pounds. He took a stake in Authentic as part of the deal. The US group also owns Hunter wellington boots and Ted Baker brands.

DRJB's performance was also boosted by David Beckham's production business Studio 99, which made a biopic about snooker player Ronnie O'Sullivan, *The Edge of Everything*, for Amazon.

The Beckham documentary series, which aired earlier this year, also spent six weeks in the Netflix global ranking of top 10 shows and took the number one spot in 59 countries.

DB Ventures, which accounts for most of the celebrity's brand partnerships, recorded a pre-tax profit of £32mn last year on sales of £57mn from £24mn and £34mn respectively in 2021, helped by contracts with long-term partners including Italian carmaker Maserati and video game company Guild Esports.

Separately, revenues at Victoria Beckham's fashion and beauty brand rose by 44 per cent to £58.8mn in 2022, thanks to increased demand for her luxury skincare products as well as the Paris Fashion Week debut of her high-end clothing brand.

Victoria Beckham's business, which has never made a profit since her fashion brand was launched in 2008, narrowed its operating losses from £3.9mn to £900,000 in 2022.

However, according to the filings, the fashion and beauty venture would continue to need more cash injections to keep it afloat.

Separately, "key management personnel" were paid £10.3mn for services provided to group companies, according to the filings.



Victoria and David Beckham's business interests expanded

Ineos billionaire's steep learning curve in French game provides valuable insights to apply at English club

JOSH NOBLE AND SAMUEL AGINI

Sir Jim Ratcliffe's deal to buy a 25 per cent stake in Manchester United is built on a crucial assumption: that the chemicals billionaire and his team have a better idea of how to win football matches than those currently in charge.

That belief comes from lessons learnt across his company Ineos's sports business, which spans cycling, motor racing, rugby, running and sailing.

In their statement announcing the deal on Christmas Eve, United co-chairs Joel and Avram Glazer praised Ratcliffe's record. "Through Ineos Sport, Manchester United will have access to seasoned high-performance professionals, experienced in creating and leading elite teams from both inside and outside the game," they said.

Ratcliffe's experience in European football has the most direct relevance to United. His time as owner of French top-tier club OGC Nice charts a steep learning curve, costly mistakes, sporting underperformance and bad luck, but some more recent signs of promise.

At United, Ratcliffe will seek to improve the fortunes of one of football's most celebrated clubs – all without having full control. The team has not won the Premier League in more than a decade since the retirement of legendary coach Sir Alex Ferguson, and at the half-way point this season United remain well outside the title race.

"We are here for the long term and recognise that a lot of challenges and hard work lie ahead," Ratcliffe said in the statement announcing the deal. "Our shared ambition is clear: we all want to see Manchester United back where we belong, at the very top of English, European and world football."

United will become the most prominent asset in Ratcliffe's sporting empire – a sprawling project born of passion, according to those close to him. The stake purchase ends a year-long search by the Glazer family, and follows a failed attempt to invest in FC Barcelona and a doomed bid for Chelsea FC last year. The deal also gives Ratcliffe, 71, a say at a world-famous brand as he tries to grow his company's consumer-facing businesses in fashion and cars.

Football has been part of the Ineos empire since it acquired Swiss club Lausanne-Sport in 2017. The team was relegated soon after. Bob Ratcliffe, Jim's brother who was then in charge of Ineos's football interests, admitted afterwards that as owners, the company had been naive by overspending on big-name players and "not getting advice from the right people".

Yet some of those mistakes were repeated after the €110mn takeover of French club Nice OGC in the summer of 2019. The new owners arrived to find a club lacking structure and run largely on longstanding personal relationships, according to those working in French football at the time. Ineos chose to take a hands-off approach.

"They quickly realised they didn't have the experience," said someone who has had dealings with Nice in the past.



Jim Ratcliffe's experience in European football has the most direct relevance to Man United. His time as owner of French top-tier club OGC Nice, below, charts a steep learning curve, costly mistakes and bad luck, but also recent signs of promise — Jean-Francois Monier/AFP/Getty Images

Transfer policy often focused on older, well-known names rather than rising stars or value for money. Arrivals in the summer of 2022 included England international Ross Barkley, former Arsenal midfielder Aaron Ramsey and Kasper Schmeichel, the Danish goalkeeper. The team went on to finish ninth, failing to qualify for the Champions League.

Nice endured turbulence in the dug-out too. The club is on its fifth permanent head coach since the takeover.

Off the pitch the club has wrestled with empty seats. Its home stadium, the Allianz Riviera, was built as part of France's bid to host Euro 2016, justifying its 36,000 capacity. Yet Nice has struggled to fill it with fans, with attendances last season averaging only 22,000.

Money has been made available.



Since Ineos arrived in Ligue 1, the club has the third-highest net spending in France, behind Qatar-owned Paris Saint-Germain and south coast rivals Olympique de Marseille. Nice has spent €263mn on transfers in that time, according to figures from Transfermarkt, recouping €129mn from sales.

But poor performances endured. This year Ineos found itself the subject of fan protests at Nice, with some groups refusing to go to the club's stadium.

However, Nice's trajectory appears to have shifted since an audit of its operations in the summer of 2022 by Ineos director of sport and former cycling coach Sir Dave Brailsford, which led to a clear-out of executives and a number of important hires. Brailsford is set to be a central figure at United.

Just over a year ago, Nice poached sporting director Florent Ghisolfi, who had helped RC Lens achieve promotion to Ligue 1 and left behind a low-cost team challenging PSG for the title.

Soon after, Ineos hired Jean-Claude Blanc, a football veteran, as the new chief executive of its sport division. The 60-year-old, whose previous roles included general manager of PSG and chief executive of Italian club Juventus, has been tipped as a possible future chief executive of United.

Spending at Nice this summer was directed towards younger talent, while long-term bets in the transfer market began to pay off. For example, centre back Jean-Clair Todibo, who joined from Barcelona in the summer of 2021 for €8.5mn, is now a highly-prized asset

'Whether it is good or bad, ultimately it is still experience. Smart people learn from it'

and has been linked with a big-money move to United.

The French side also appears to have found its rhythm on the pitch under new head coach Francesco Farioli.

After 17 games, Nice sits second in the table – just five points behind leaders Paris Saint-Germain and well on track for next year's Champions League.

Ratcliffe's overall record across sport is patchy. Kenyan-born Eliud Kipchoge became the first person to run a marathon below two hours with Ineos backing, while Olympic gold medallist Sir Ben Ainslie hopes to mount a challenge at the 37th America's Cup next year with the Ineos Britannia sailing team.

But the Ineos Grenadiers cycling team has failed to produce a Tour de France winner since shortly after the chemicals conglomerate bought and renamed the previously dominant Team Sky in 2019. Mercedes' long winning streak on the Formula One track came to an end after Ineos bought a 33 per cent stake in the team, although regulatory changes are largely to blame.

It remains to be seen how these lessons will inform decision-making at United, or how Ratcliffe will navigate his partnership with the Glazers. But the rocky years at Nice have at least provided the Ineos team with a valuable education in European football.

"Whether it is good or bad, ultimately it is still experience. Smart people learn from it," said another person who has done business with Nice under Ineos. "Jim and Dave know what they don't know."

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Trading sentiment. Esoteric wagers

Niche bets offer bumper returns for investors



Cocoa, uranium and Turkish US dollar bonds among offbeat picks that paid off this year

FT REPORTERS

Big investors have spent much of 2023 trying to belatedly jump on a stock market rally that few saw coming, or nursing losses as the “year of the bond” fell flat. But the year has also offered some big wins for traders willing to dive into more esoteric markets.

Turkish dollar bonds soar

Turkey's US dollar bonds roared higher in 2023, posting the biggest gains of any top constituent of the leading emerging markets fixed income index as investors cheered signs that the country would pursue a more conventional policy course.

Turkish debt included in the JPMorgan EMBI Global Diversified bond index, a gauge widely used as a benchmark by emerging markets fund managers, posted returns of about 16 per cent in 2023. The gains exceeded the 11 per cent return notched up by the wider index and marked the best performance of any of the top-10 constituents in the benchmark by weight.

The strong returns for Turkey's dollar debt came during a turbulent year for the country's assets. President Recep Tayyip Erdoğan was re-elected in May and surprised many economists and investors when he shifted away from the unorthodox policies that had sent the lira tumbling and left the central bank's foreign currency war chest dangerously depleted.

He appointed Mehmet Şimşek, a highly regarded former Merrill Lynch bond strategist, as finance minister and ex-Goldman Sachs banker Hafize Gaye Erkan as central bank chief. Şimşek and Erkan have undertaken measures to rebuild the country's foreign currency reserves, and raised interest rates sharply in a bid to slow inflation that is running at 60 per cent.

Still, concerns linger over whether Erdoğan, a longtime opponent of high interest rates, will stick with the new strategy ahead of key local elections next year. *Adam Samson*

Uranium powers to 15-year high

The 2023 uranium bull run was a product of two long-term economic trends: the need for energy security and the drive towards net zero. A few very noisy bulls helped.

Russia's full-scale invasion of Ukraine in 2022 forced governments to reconsider their dependence on energy imports, while growing pressure to reduce carbon emissions in line with international agreements has renewed attention on nuclear as a source of abundant, mostly clean, energy.

The price of the element, known as yellowcake in oxide form, reached a 15-year high in December of \$90 a pound according to futures data from CME Group, up from \$50 at the beginning of the year.

Uranium investors say it has further to go. The coup in Niger, which holds about 5 per cent of the world's reserves, caused a minor supply scare in July as the threat of reduced availability of the

Turkish leader Recep Tayyip Erdoğan shifted away from unorthodox policies, lifting the nation's US dollar bonds. Bets on other areas, such as Romania's Hidroelectrica, also did well

FT montage/Bloomberg/Getty Images/Nuclear Regulatory Commission/CCL Flickr

material reverberated through the west.

Now Yellow Cake, a UK-listed investment company that buys and holds uranium, is warning that China is trying to sew up the market to meet its growing demand. And dependence on Russia, the largest exporter of the enriched uranium needed by nuclear power plants, is sounding alarm bells in Washington DC and elsewhere. *Arjun Neil Alim*

Solana back in the groove

Solana, a cryptocurrency once touted as the future of digital finance, roared back to life this year after the collapse of FTX wiped out more than 90 per cent of its value.

One of Solana's biggest backers had been Sam Bankman-Fried, the chief executive of the failed crypto exchange, who hyped its promise as a digital ledger that could handle thousands of trades a second, a technological obstacle that has been beyond many cryptocurrencies including bitcoin.

When FTX collapsed, it was holding a

large pile of Solana tokens. Along with the reliability issues that plagued the token, that pushed a price once as high as \$250 down to just \$13 in early 2023.

But Solana slowly began to fix its regular malfunctions – the last big one was February – and was gradually decoupled from Bankman-Fried in the eyes of investors. So far this year it is up 560 per cent to \$87.

However, only 2 per cent of the \$52bn investors have committed to projects for decentralised financial networks have been sent to projects built on the token. *Scott Chipolina*

Hidroelectrica beats IPO gloom

Few investors would have backed a Romanian hydropower company to top the list of Europe's largest initial public offerings in 2023.

State-owned Hidroelectrica's \$2bn IPO in Bucharest in July – Europe's biggest since Porsche in September 2022 – beat German drugmaker Schott Pharma and Italian gambling group Lotomatica, which raised \$1bn and \$660mn on their stock market debuts this year.

Shares in Hidroelectrica, one of Europe's largest renewable energy groups, have since climbed by more than a fifth, handing big gains to institutional backers including M&G Investment Management, Vanguard and Fiera Capital.

The IPO itself was “oversubscribed multiple times” at the offer price, according to Hidroelectrica, whose third-quarter net profit and revenue rose 42 per cent and 52 per cent year on year. Electricity production surged 38 per cent to 14,101 gigawatt hours.

Yet Europe's IPO market remains in the doldrums, with investor appetite

limited by growing concerns of slowing economic growth. The promise of deeper pools of capital in the US meanwhile proved too alluring for the likes of chipmaker Arm and building materials group CRH, both of which are based in the UK.

Europe accounted for just 5 per cent of global IPO proceeds in 2023, behind China and the US on 54 per cent and 25 per cent, respectively, according to data compiled by EY. *George Steer*

Cocoa prices leap

Cocoa futures have climbed to an all-time high as extreme weather has ravaged crops in West Africa, denting supplies and pushing up chocolate prices for global consumers.

The Intercontinental Exchange's London cocoa futures contract – a global benchmark that allows traders to buy and sell individual orders of up to 1,000 tonnes – now trades at £3,570 a metric tonne, up 91 per cent since the start of the year. In the soft commodity space, only orange juice has rallied more in 2023.

Analysts say heavier than usual rainfall over parts of Ghana, Nigeria and Ivory Coast, the world's key cocoa supplier, have exacerbated the spread of black pod disease and delayed harvests. Traders now worry that hot and dry weather enhanced by El Niño could further crimp production early next year.

Even so, it is “difficult to justify the scale of the move higher” in cocoa prices, said Warren Patterson, head of commodities strategy at ING. “If supply from West Africa does not turn out to be as bad as feared, the market is in store for an aggressive downward correction.” *George Steer*



Asset management

US funds push back on SEC pricing and liquidity plan

BROOKE MASTERS — NEW YORK

Asset managers are warning that proposals to tighten new liquidity requirements and pricing methods for US mutual funds will drive away investors, reduce choice and hasten the demise of an investment vehicle that underpins American retirement savings.

The US Securities and Exchange Commission first proposed last year that funds be required to hold enough “highly liquid securities” to cope with losing 10 per cent of their assets in a day and to use a method called “swing pricing”.

The agency said market ructions at the start of the Covid-19 pandemic showed tougher rules were needed to protect buy-and-hold investors from losses when other traders flood into or out of a particular fund.

But industry groups have recently redoubled efforts to persuade the watchdog to change its plans, saying the details would drag down overall returns and force funds that hold loans and other less liquid assets to close. The swing pricing proposal would disadvantage investors who purchased mutual funds through their retirement plans, they argued.

Commissioners and SEC staff have publicly disclosed having 16 meetings with investors, providers and lobbyists

“The proposal would dramatically decrease the appeal of mutual funds for individual investors’

about the proposal since September. A bipartisan congressional group including both the chair and ranking minority member of the House subcommittee on capital markets has asked the SEC to withdraw it. The SEC has also received more than 3,000 comment letters, mostly in opposition.

“The proposal would dramatically decrease the appeal of mutual funds for retirement savers. The result is likely to be a significant decline in mutual fund usage,” wrote Rick Wurster, president of Charles Schwab, the broker and mutual fund sponsor.

“It is not hyperbole to say that this proposal will completely reshape the fund landscape,” he added. Even some investor advocacy groups are wary of parts of the plan. Better Markets, a financial reform organisation, supports the liquidity requirements but wrote in a comment letter that the SEC should “consider alternative methods” to swing pricing.

The industry has fought off earlier efforts to impose swing pricing, which requires funds to take into account the day's flows before setting the price at which trades in and out are settled. That would require the imposition of a “hard close” that would force retirement plan sponsors to put through trades during market hours rather than giving them extra time to match trades internally and put through the total at the end of the day.

Industry participants have high hopes that the SEC will at least make some modifications to the proposal when it takes it up in the new year.

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On Wall Street

Used cars and builders defy year's easy assumptions

Jennifer Hughes



Twelve months ago, few would have backed a debt-laden used-car sales platform and a building supplies group to be among the standout performers on the US stock market.

But those are only two of the surprises in a year that also saw chipmaker Nvidia become arguably a haven trade and equities slavishly follow bond yields. These were just some of the examples of how initial assumptions didn't always make for the best bets in 2023.

In terms of sectors, homebuilders' success was the one most didn't see coming. Rising rates were expected to lower house prices but instead they in effect trapped US homeowners reluctant to give up their low 30-year fixed-rate mortgages – something that last happened too long ago for most to remember.

The resulting supply shortage squeezed prices to new records and developers couldn't build fast enough. Even Warren Buffett bought in, but it was a supplier that did best. Builders FirstSource rose more than 150 per cent, joining the S&P 500 in December, where its gains rank it in the top five performers for the year. The simplest takeaway is the oldest: when you see a gold rush, buy shovels.

Elsewhere, used-car platform Carvana soared more than 1,000 per cent, providing a reminder that painstaking stockpicking can still make a difference. Going into the year its

valuation appeared to be another pandemic boom-to-bust story, with a market value that had shrivelled to about \$1bn from a peak above \$50bn.

Rising interest rates worried creditors including Apollo. Yet Carvana's founders managed a debt restructuring that kept their backers on board and by September they produced a quarterly net profit for only the second time. A booming economy certainly helped – fellow platform provider CarGurus gained almost 70 per cent – but this was one where close attention to developments would have helped to pick the real bargain on the lot.

More generally, interest rates were the big swing factor in 2023, as rate rise fears grew, then receded in the March banking turmoil, then returned in the summer before fading in the last two months. Through it all the biggest head-scratcher was seeing stocks track bond prices and thus move inversely to bond yields. That upended a decades-long pattern of the link between the two.

“When you're not worrying about inflation, rising yields signal better growth and that's great for equities. In inflationary periods, they're often a sign of reigniting inflation, and that's negative,” says Liz Ann Sonders, chief investment strategist at Charles Schwab. “In 2023, the bond market basically jumped into the driver's seat

for the equity market. That's one of the most important things that occurred this year.” Should that shift last, investors will have to think carefully about what bond yields are really saying. The slide in 10-year yields from 5 per cent in October to below 4 per cent now has spurred a rally of about 16 per cent in the S&P 500. But are lower yields signalling easier financial conditions that will buoy economic activity and corporate earnings, or should they be read as an

The biggest head-scratcher was seeing stocks track bond prices and thus move inversely to bond yields

expectation that bond investors expect growth to slow markedly?

Otherwise, no look at 2023 can skip the Magnificent Seven tech stocks that account for more than half of the S&P 500's gains this year. In early summer, they were even more dominant, accounting for all of the index's gains. If there's a lesson in the preference for Apple, Microsoft, Google parent Alphabet, Amazon, Facebook parent Meta, Tesla and Nvidia, perhaps it is to ask what drove it initially.

It was after March that their dominance started to grow and late in May that Nvidia's strong earnings kicked off the growth-focused search for stocks with links to artificial intelligence. Tech investing is about growth stocks and exciting themes such as AI act as spurs. But the Magnificent Seven could also be seen as something of a safety play – that is, they were big companies not reliant on struggling banks or wobbly capital markets.

Sometimes it's too simple to bundle companies into the growth or the value bucket. Viewing these as a haven could have helped value-focused investors see past the early eye-watering valuations and potentially join the rally.

“I don't believe in chasing extremely expensive stocks and I'm still not sure that the behaviour of the group is indicative of the companies' fundamentals,” says JonesTrading's Michael O'Rourke, the strategist who coined the term Magnificent Seven. “I think everyone has to be a little humbled here,” he added. “Even the strategists and investors who expected the S&P to be up, did they expect it to be so driven by seven names?”

If there's one thing to take from 2023, it must be to beware the easy assumptions.

jennifer.hughes@ft.com

MARKET DATA

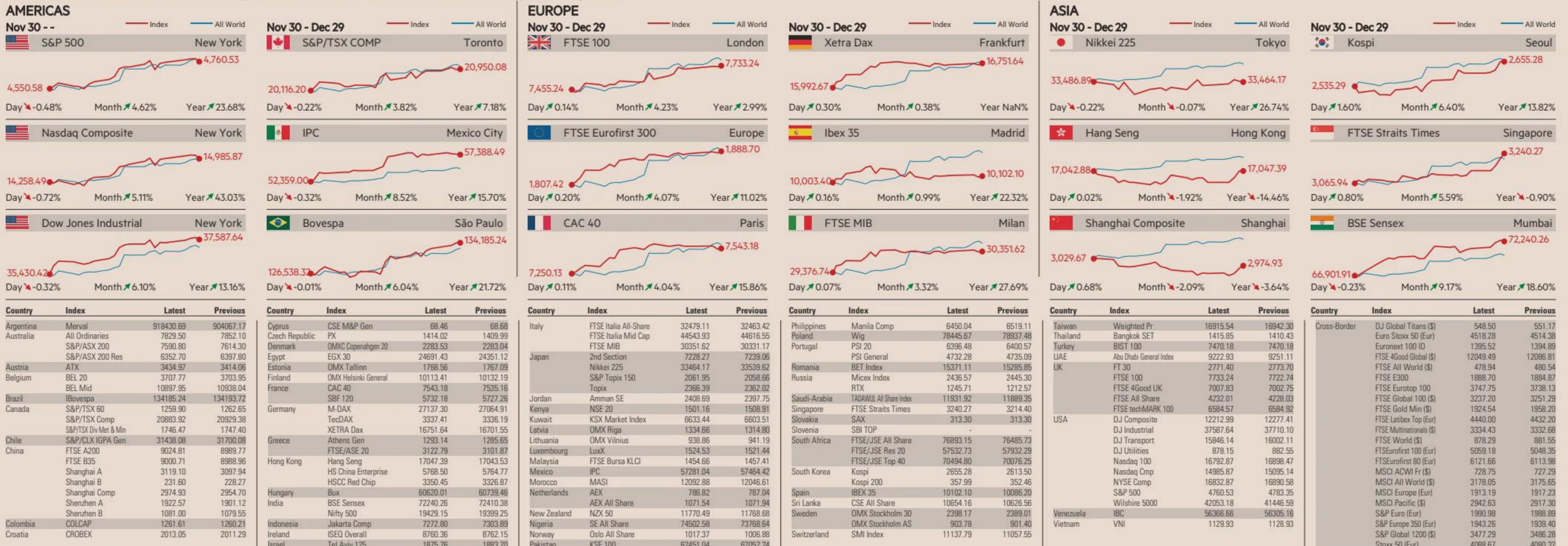
WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)



Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison



(c) Listed. (d) Unavailable. 1 Correction. ▼ Subject to official reconciliation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA		LONDON				EURO MARKETS				TOKYO																					
ACTIVE STOCKS	stock	close	price	Day's	price	close	price	Day's	price	close	price	Day's	price	close	price	Day's	price	close	price	Day's	price	close	price	Day's	price	close	price				
traded m's	traded m's	change	change	change	traded m's	change	change	change	traded m's	change	change	traded m's	change	change	traded m's	change	change	traded m's	change	change	traded m's	change	change	traded m's	change	change	change				
Tea	137.6	249.40	-3.78	Shell	60.5	2571.50	22.50	Novartis N	217.3	91.28	0.89	Lasertec	422.9	3710.00	-60.00	Sumitomo	87.2	249.40	-1.40	Yokohama	209.2	41.90	0.04	Sumitomo	227.0	12.10	0.01	Sumitomo	227.0	12.10	0.01

CURRENCIES

Dec 29	Currency	DOLLAR		EURO		POUND		Dec 29	Currency	DOLLAR		EURO		POUND		Dec 29	Currency	DOLLAR		EURO		POUND	
		Closing	Mid	Change	Mid	Change	Mid			Change	Closing	Mid	Change	Mid	Change			Closing	Mid	Change			
Dec 29	Argentine Peso	808.08	1.62	-0.52%	883.1862	1.92	-0.12%	1020.6966	-1.11%	Indonesia	15399.0000	23.0000	-0.01%	Romania	483.9200	1.05	-0.05%	Polish Zloty	3.9233	0.0200	0.0300	0.0300	0.0300

FTSE ACTUARIES SHARE INDICES

£ Strg	Day's	€ Strg	Day's	£ Strg	Day's	€ Strg	Day's
Dec 29	change	Dec 29	change	Dec 29	change	Dec 29	change
FTSE 100 (100)	7733.24	0.14	0.02%	7722.74	0.14	0.02%	7722.74

FT WILSHIRE 5000 INDEX SERIES

Dec 28	Currency	Closing	Mid	Change	Dec 29	Currency	Closing	Mid	Change
Dec 28	USD	48497.60	48497.60	0.00	Dec 29	USD	48521.90	48521.90	0.05

FTSE GLOBAL EQUITY SERIES

Dec 29	Regions & countries	No of stocks	indices	Day	Mth	YTD	Total	YTD	Gr	Yield
Dec 29	FTSE Global All Cap	10080	815.13	0.2	5.7	19.8	1338.03	22.5	2.1	0.4

FTSE SECTORS: LEADERS & LAGGARDS

Aerospce & Defense	61.3	Support Services	8.70	Equity Invest Instr	2.26
Financial Services <td>18.95</td> <td>Fixed Line Telecomms</td> <td>4.49</td> <td>Consumer Goods</td> <td>-19.07</td>	18.95	Fixed Line Telecomms	4.49	Consumer Goods	-19.07

FTSE 100 SUMMARY

FTSE 100	Closing	Day's	Change	FTSE 100	Closing	Day's	Change
FTSE 100	7733.24	0.14	0.02%	FTSE 100	7733.24	0.14	0.02%

UK STOCK MARKET TRADING DATA

	Dec 29	Dec 28	Dec 27	Dec 22	Dec 21	Yr Ago
Order Book Turnover (m)	22.37	113.55	641.49	640.14	600.92	600.92

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant or guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be held liable for any loss arising from the reliance on or use of the listed information. For all queries e-mail ft.reader@morningstar.com

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Company	Turnover	Pre-tax	EPS(p)	Dvlp)	Pay day	Total
Amgen	£11.327	77.228	17.392	42.780	0.020	0.020
Altria	£0.000	0.000	0.571	0.688	0.000	0.000

Issue date	Issue price(£)	Sector	Stock	Close price(£)	Mkt Cap(£m)
19 Dec 2023	14.00	Pharmaceuticals	Altria	13.92	1,860,000
19 Dec 2023	14.00	Pharmaceuticals	Amgen	13.92	1,860,000

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
 For more information on dividend payments visit www.ftse.com/marketsdata

© Pricing price. * Introduction. † When issued. Annual report/prospectus available at www.ftse.com/
 For a full explanation of all the other symbols please refer to London Stock Exchange Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Table with 5 columns: Stock, Price, Day Chg, High, Low, Yld, P/E, MCap m. Includes sections for FT500: THE WORLD'S LARGEST COMPANIES, FT500: TOP 20, FT500: BOTTOM 20, and various international market data.

INTEREST RATES: OFFICIAL

Table showing interest rates for various countries and currencies, including US, Euro, and JPY.

INTEREST RATES: MARKET

Table showing market interest rates for various countries and currencies, including US, Euro, and JPY.

COMMODITIES

Table showing commodity prices for various goods like oil, gas, and metals.

BONDS: INDEX-LINKED

Table showing index-linked bond yields for various countries and currencies.

BONDS: TEN YEAR GOVT SPREADS

Table showing ten-year government bond spreads for various countries.

BONDS: HIGH YIELD & EMERGING MARKET

Table showing high yield and emerging market bond yields and spreads.

BONDS: BENCHMARK GOVERNMENT

Table showing benchmark government bond yields and spreads.

BONDS: INDEX-LINKED

Table showing index-linked bond yields for various countries and currencies.

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Table showing index-linked bond yields for various countries and currencies.

BONDS: INDEX-LINKED

Table showing index-linked bond yields for various countries and currencies.

BONDS: GLOBAL INVESTMENT GRADE

Table showing global investment grade bond yields and spreads.

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Table showing global investment grade bond yields and spreads.

GILTS: UK FTSE ACTUARIES INDICES

Table showing UK FTSE Actuaries Indices for various durations.

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Lex.

Deep sea mining: sunk costs

We know more about outer space than the ocean floor. Both are rich in natural resources. Miners plan to exploit both. Deep sea mining is closest to reality.

Norway pushed ahead with plans for mining in its waters in December. The International Seabed Authority, which regulates the seabed outside national boundaries, has issued more than 20 exploration contracts.

There are hurdles to commercial production, which could begin in the second half of this decade. A heavy requirement for investment is one. Environmental objections are another. But rich deposits of minerals critical to the energy transition are likely to drive miners and regulators forward.

Almost all international exploration licences are in the Clarion-Clipperton Fracture Zone, in the Pacific Ocean near Hawaii. The geography of the region is rich in polymetallic nodules that sit on the seabed and contain cobalt, nickel, copper and manganese.

Extraction involves subsea collection vehicles that send materials up to a surface vessel for processing. Nodule collection is, however, damaging to seabeds and sea life. Germany and France are already backing a cause.

The Metals Company of Canada is the most advanced deep sea miner. It has been buying permits and says it has 16mm tonnes of nickel resources.

TMC is pursuing a capital-light approach. It has partnered with energy group Allseas, which makes the tech and puts up capital investment. A test run collected 3,000 tonnes of nodules. Next is commercial operation. This is expected in 2025, assuming regulatory and environmental approvals.

Shares in TMC have lost 90 per cent of their value since listing via a Spac deal in 2021. It raised a fresh \$23mm in August from existing investors but more will be needed. TMC's valuation is a fraction of potential reserves compared with onshore rivals. High costs and possible environmental levies mean seabed mining is for intrepid and deep-pocketed investors only.

Thermal storage: hot rocks

Breaking the world's reliance on fossil fuels requires more than generating renewable electricity. Safe, economically viable storage will be needed for the dark, still days when solar and wind farms do not operate.

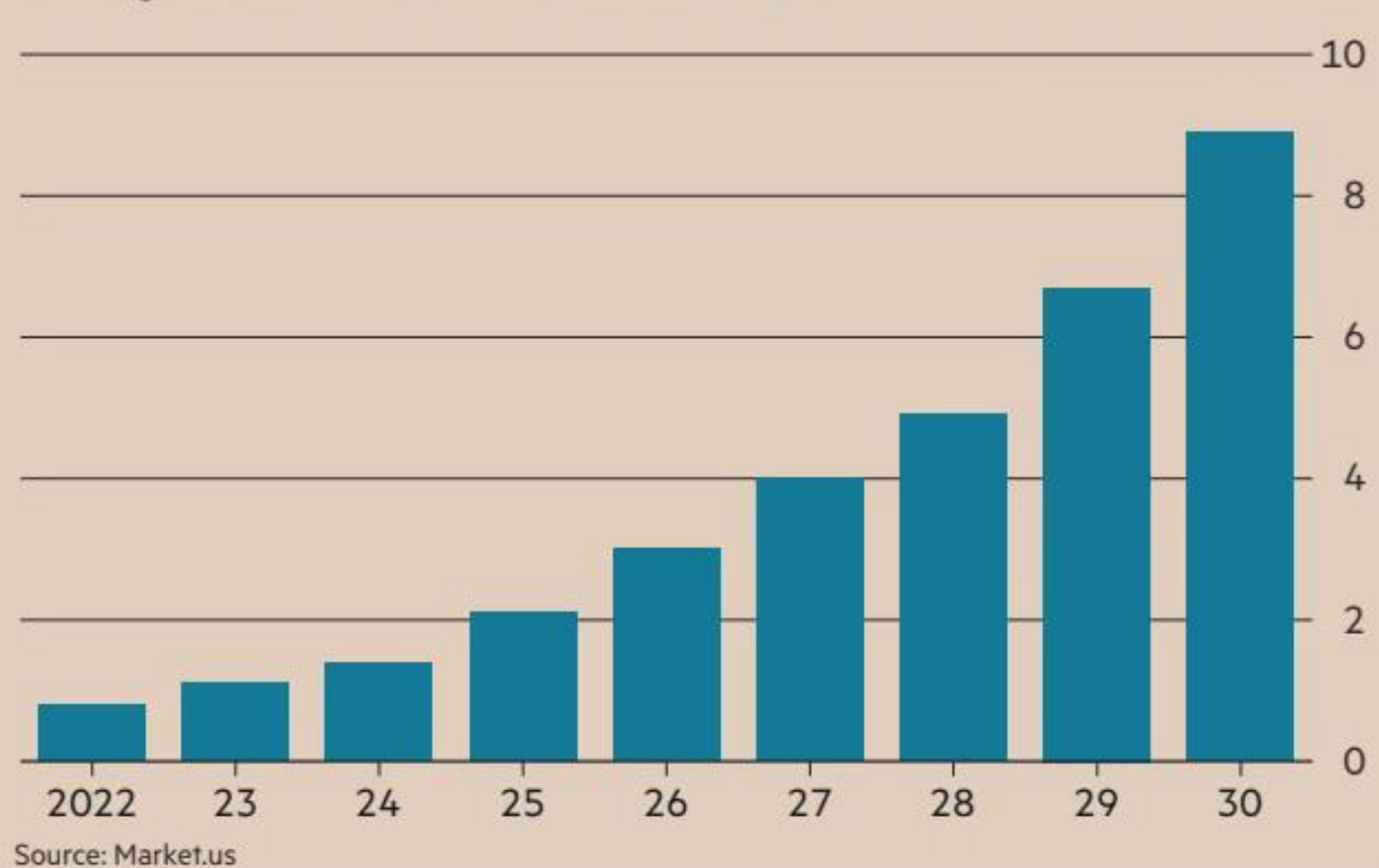
Many companies are working on long-duration storage technologies but, crucially, they must work at grid scale. Thermal energy storage using "hot rocks" is an attractive option, with the added potential to harness heat from industrial processes that is otherwise wasted. Rival technology includes pumped hydro, compressed air, gravity and other battery types. Costs and efficiency will decide which win out.

Hot rock tech works by transferring heat energy, either direct from source or generated by electric heaters, into an insulated vessel containing the storage medium. Denmark's Stiesdal uses basalt volcanic rock. Charging involves heating the rocks up to about 600C. Heat is stored until needed. It can then be transferred into a separate cold container and drive mechanical dynamos to create electricity en route.

Blue sky thinking

Ageing populations: Dr droid

Global generative AI in healthcare market (\$bn)



Robots that care may be the answer to our rapidly ageing populations. Japan epitomises the problem; almost a third of people are now aged 65 or older. A shortfall of care workers is already pushing government funding into new robotics research. AI may offer lower-cost solutions.

Robots that assist seniors with walking, standing, rehabilitation and bathing are already in high demand. But senior care robots produced by companies such as heavy machinery group Yaskawa Electric remain too expensive for mainstream markets.

The cost of elderly care is already expected to reach \$800bn by 2025. New and innovative uses for generative AI hope to get that down. Diagnosis can free up doctors and prevent uncomfortable travel for elderly patients. Analysts say virtual

nurses alone could save \$20bn a year.

China already faces a critical lack of care workers that exceeds 10mn people. Chinese company iFlytek has set up a dedicated business for senior care robots. Search giant Baidu has started developing applications for senior care. Wearable devices that monitor vital signs and send alarms for medication reminders are one lower-cost alternative to attentive care workers.

Generative AI could also be used to combat loneliness in elderly patients. Chatbots are already being used as companions for dementia sufferers.

Demand from China's large ageing population, coupled with advances in AI applications, opens a new niche. These demographic trends will also mean new revenue streams for heavy machinery and motor makers.

Germany's EnergyNest uses a special thermal concrete for a similar process. Molten salts are already used for thermal storage of solar energy.

Hot rocks offer good potential storage times. The bulk of the 234 gigawatt hours of current estimated installed capacity is used for heating purposes, according to the International Renewable Energy Agency. Its use in power generation is expected to treble capacity by 2030.

Other advantages of solid-state storage materials such as rock or concrete are low costs and availability. For large scale and long duration, thermal's levelised cost of storage at \$0.40 per kilowatt hour is about half to a third the cost of traditional batteries, says the US Department of Energy. Only hydrogen, pumped hydro and compressed air storage might be slightly cheaper by 2030, the DoE says. That gives hot rocks a solid position for a place in the green grids of tomorrow.

Mycoremediation: 'shroom broom

Mushrooms are not just a delicious pizza topping. They could also tackle plastic waste, oil spills and other toxic pollutants. Mycoremediation, the use of fungi for ecological restoration, is a nascent field that could fight pollution.

"Fungi are metabolic wizards," writes mycologist Merlin Sheldrake in his 2019 book *Entangled Life*. They get nutrients through mycelium, a root-like system. This network of threadlike hyphae secretes powerful enzymes that allow fungi to break down some of the toughest materials on the planet and

convert them to nutrients. It is this power to break down complex molecules into simpler ones that mycoremediation seeks to harness.

Basically, any carbon-based product is food for fungi. Scientists have found a fungus that eats polyurethane plastic. Fungi have been deployed to clean up oil spills in the Amazon, contaminated soil in Wisconsin and detoxify soil and water after wildfires in California.

Fungi already have many applications. They helped us develop penicillin. They ferment cheese, bread and wine. They are even being used to replace styrofoam and leather.

Yet, mycoremediation remains a niche practice. This is for good reasons. It is very site-specific and difficult to scale in a cost-effective way. There is no one fungus that can be deployed on all biohazard sites. Treatments must be customised and that involves trial and error. It takes time to find the species of fungi that can break down the target contaminant and figure out the growing conditions for it. Even then, scientists have to figure out how to grow large quantities of that specific mycelium quickly.

Mycocycle is a five-year-old start-up that uses fungi to transform industrial waste into new raw materials. This year it raised \$2.2mm in seed funding to scale its business. MycoMine in Sweden and Novobiom from Belgium do something similar. Given the scale of pollution and waste, more companies like this will be needed.

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Host of risk factors threatens catch-up in emerging economies

Toby Nangle

The Long View



Emerging market stock indices have underperformed the broad equity rally this year. They have lagged behind not only American, Japanese and continental European equities, but even UK stocks. In sterling terms, they have barely broken even.

With the Federal Reserve signalling that it is likely to be done in raising interest rates, and the bond market pricing in a series of cuts next year, it feels right to ask whether it's time for emerging markets to play catch-up.

Lumping together firms listed across such a disparate collection of geographies can look lazy at best. Emerging market equity markets vary in their politics, economic challenges and institutional arrangements. Turkey is a long way from Taiwan in many ways. Collectively, they tend to do well when the US dollar is weakening, the global rates outlook is benign, the world economy is growing briskly and international trade volumes are increasing. But what unites them beyond MSCI index taxonomy is the importance of country-level macro risk factors to their performance.

China makes up almost 30 per cent of the market and its very public property bust has hit the domestic economy hard. Regulatory uncertainty continues to haunt equity managers after the crackdown on technology and education companies.

The international picture is difficult for China. Since Trump introduced tariffs on a range of Chinese imports in 2018, China's share of US goods imports has decreased by around a third, relegating it to behind Mexico as a source of imported goods. Trading at less than 10 times next year's expected earnings, Chinese stocks are cheap for a reason.

By contrast, the next largest markets – India, Taiwan – rank among the most highly valued in the emerging universe. India is enjoying a domestic boom.

According to the IMF, the rollout of the "India Stack" – a government-backed digital payments initiative – has boosted tax receipts by bringing a host of activity into the formal economy, and led to a huge expansion of financial service. The government also has maintained large fiscal deficits and farmed its tax windfall back into the economy in the form of public investment.

Infrastructure is being upgraded, and foreign companies welcomed. More than one in five JPMorgan and Goldman Sachs employees now work in often gleaming new Indian campuses. But accessing this structural growth story comes at a cost. Priced at more than 22

What unites them beyond the MSCI index is the importance of country-level macro risk factors

times next year's expected earnings, India is now the most highly valued major equity market in the world.

Taiwanese market returns, like South Korea's, have been flattered by the global tech boom: tech stocks account for more than 70 per cent, and about half, of their markets' capitalisations, respectively. TSMC, the world's largest contract chipmaker, alone accounts for more than 40 per cent of the Taiwanese market. Future returns will be tied to the fortunes of the global chip market, absent local geopolitical flashpoints.

Away from Asia, returns have been generally good. Strong markets in Brazil and Mexico have delivered handsome returns. But EM Advisors, a specialist research boutique, warns that with Brazilian interest rates substantially above nominal gross domestic product growth and the economy falling into recession, headwinds are building for company earnings and fiscal authorities. Some

eastern European markets have delivered spectacularly, but they only have tiny index weights.

While asset allocators often spend more time thinking about geopolitics than is ultimately warranted, 2024 presents as an electoral labyrinth. The most important election for emerging equities will be the US presidential poll in November, the result of which has the potential to destabilise every market. Beyond this, countries accounting for more than half the market cap of the MSCI Emerging Market index will see general elections – no mean feat considering that autocracies account for almost 35 per cent of the index.

Votes in Indonesia and South Korea don't look as if they carry much potential for significant market impact. In India, Modi's re-election is all but assured, and the African National Congress is unlikely to lose outright in South Africa. Claudia Sheinbaum, President Andrés Manuel Lopez Obrador's preferred candidate, leads the polls by a huge margin in Mexico. But Taiwan's general election in January looks much harder to call. And, given the global importance of cross-strait relations, its outcome has broader ramifications.

Global equity valuations are on the rich side of their post-1990 average. Offered at less than 12 times expected earnings, emerging equity market valuations by contrast are cheap to their own history. The consensus for a benign global bond market outlook and soft landing make the valuation case tempting.

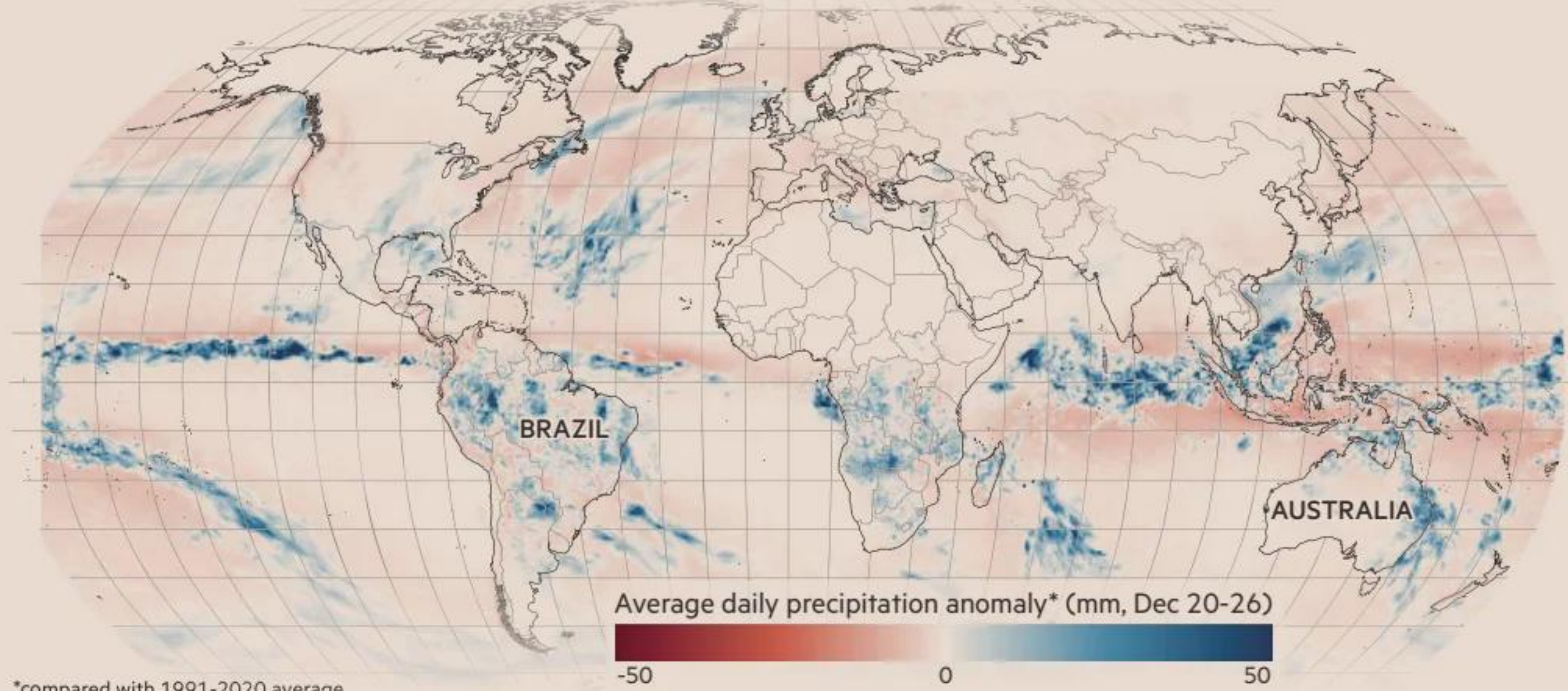
But hot wars in Europe and the Middle East, and a congested electoral calendar, warrant some geopolitical risk premium. And with the global economy softening and trade volumes falling, putting money into the market on a catch-up trade looks unnecessarily speculative.

Toby Nangle is an FT contributing editor

NIKKEI Asia The voice of the Asian century

Many areas experience heavy rainfall for the time of year

Torrential rain affected various regions around the globe over the Christmas week with further turbulence forecast for the new year, as the El Niño weather pattern remains the major influence on the climate. Australia's northern and east coast experienced extensive damage and deadly flooding, and parts of southern Africa, Malaysia and southern Thailand were also inundated.



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Life & Arts

FTWeekend



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demned, as would industrial farming. In my time in academia, Singer's philosophical rigour was respected but also treated as a bit of a *reductio ad absurdum*. If your principles entail such all-consuming moral demands, then the principles are in need of revising, was the common view. But a generation later, the seed planted by Singer found extraordinarily fertile soil. The founders of EA, MacAskill and Toby Ord, have both credited Singer's article with their moral awakening in the mid-2000s. "Studying that paper and others, I wrote an essay for my BPhil at Oxford – 'Ought I to forgo some luxury'," Ord told me, which "forced me to think seriously about our moral situa-

The collapse of FTX shook the movement's confidence and pulled a financial rug from under its feet

tion with regard to world poverty". Within a few years, Ord and MacAskill had founded Giving What We Can, an organisation collecting pledges to donate 10 per cent of one's income to the charities that evidence could show to have the greatest per-dollar impact on lives saved or improved. Since then, the organisation says nearly 10,000 donors have signed on for several billion in accumulated pledges. (Singer was one of the first.) Next came a career-advice service called 80,000 Hours, encouraging students to choose the career that would do the most good – which in many cases would mean finding ways to "earn to give" to effective charities, rather than directly devoting oneself to, say, medicine, social work or development. In both cases the motivation to reach for the maximum good one could do was central. Out of this grew the Centre for Effective Altruism, a hub (later renamed Effective Ventures) through which fundraising was channelled to EA projects, as well as to building the community itself, running everything from recruitment events at universities to conferences and an online forum. In the financial year to mid-2022, Effective Ventures' income was £140mn.

Continued on page 2

The moral metric

Effective altruism has quickly become a powerful force in business and philanthropy. But is there a fundamental problem with the philosophy? *Martin Sandbu* goes back to its roots in Oxford to find out

Ever since the decline of the Quakers, it has been rare to see important companies governed by a spiritual or philosophical outlook. Boardrooms and executive suites have tended to be ideology-free, run on a blend of the pragmatic, the opportunistic and the selfish. But that was before effective altruism.

Often summarised as "doing the most good you can", this neo-utilitarian, philanthropy-oriented worldview has spread across elite places of study, the salons of the super-rich, and Silicon Valley – and popped up in some of the biggest corporate stories of the past year.

This autumn, Sam Bankman-Fried was tried and convicted of fraud for diverting client funds from his FTX crypto exchange to his trading company Alameda. Weeks later, the tech industry was riveted by the ousting and sudden return of Sam Altman as chief executive of OpenAI, the creator of ChatGPT. The companies had something more in common than being at the frontier of tech: key decision makers in both subscribed to "EA".

Most of FTX/Alameda's leadership were devoted effective altruists. "It was extremely serious to them... it was what drew them together in the first place," says Michael Lewis, chronicler of Bankman-Fried's rise and fall. The companies were major donors to EA causes. Meanwhile, OpenAI's boardroom drama turned on whether commercial or safety considerations should set the pace of development. The risk that a rogue AI poses to humanity's existence is something the EA movement has been increasingly exercised by.

To find a set of philosophical ideas at the top of two of the world's most important tech businesses is surprising enough. Even more puzzling is how quickly effective altruism rose to prominence – it is barely a decade since a couple of young philosophers at the Univer-

Illustration by Stephan Schmitz

Below: FTX CEO Sam Bankman-Fried on stage at the Crypto Bahamas conference in Nassau in April 2022, with FTX's head of global fashion and luxury partnerships Lauren Remington Platt and supermodel Gisele Bündchen, FTX's ESG adviser

New York Times/Redux/eyevine

sity of Oxford invented the term and started proselytising its arguments.

There are now hundreds of local EA groups around the world, many at top universities. Thousands of users regularly debate EA on the movement's online forum (the site branded with the EA logo of a lightbulb with a heart-shaped filament) and join its conferences. Hundreds of millions of dollars in philanthropic funding are channelled by organisations committed to the theory every year. EA "is quickly becoming the ideology of choice for Silicon Valley billionaires", one sceptical academic philosopher complained to me. And it attracts many bright young people. "They're all effective altruists," a colleague whose children are recent graduates remarks of their generation's ideological orientation.

We may have reached an Icarus moment in EA's short history. Part of the ecosystem tied itself very closely to the FTX moneymaking machine, including William MacAskill, one of EA's founders and perhaps its single most influential individual. "MacAskill was all over Sam's life," Lewis tells me. (MacAskill's

office declined interview requests.) FTX's collapse shook the movement's confidence and pulled a financial rug from under its feet.

Whatever its future, the story of EA raises major puzzles. Why did the effective altruism movement appear in the time and place it did? How could it reach pinnacles of the 21st-century technology business? And, above all, is EA's success a good or a bad thing for the world?

How the ideas behind EA's thicket of slickly presented organisations could catch on so quickly feels all the more astonishing for someone with my particular experience. The intellectual environment from which EA emerged used to be my environment. Before joining the FT in late 2008, I had taught moral philosophy at Harvard and Wharton, done a PhD in the intersection between philosophy and economics, and first studied ethics at Oxford. Yet I did not see EA coming at all. In my decade and half of being exposed to academic moral philosophy, nobody I knew would have predicted that any philosophical outlook, let alone this one, would take off in such a spectacular way.

A potted history of effective altruism could go like this.

Once upon a time there was utilitarianism, or doing that which brings "the greatest happiness to the greatest number": the arithmetically appealing moral theory of Jeremy Bentham that became a rescue buoy for Victorians who lost their Christian faith.

In the 20th century, utilitarian thinking became ever more sophisticated in response to criticism – in particular over its assumption that all outcomes can be weighed against each other and its struggle to make sense of the moral importance of rights and of personal attachments.

But its core remains that morality requires aiming for the greatest expected value of individual choices' consequences for wellbeing and suffering, impartially measured. Utilitarianism was entrenched in a crude way in cost-benefit analysis of economic policy, but progressively lost the favour of philosophers, who considered it too freighted with implausible implications.

Then came Peter Singer. In a famous 1972 article, the Australian philosopher argued that not giving money to save lives in poor countries is morally equiva-



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Life

Zero-Covid: China's year of forgetting

One year on from the abrupt end of a policy that sparked street protests and failed to halt the virus, Thomas Hale asks how is it now remembered – and how well?

In the corner of Anfu Road and Wulumuqi Road, one of only a handful of places that could stake a claim as the true centre-point of Shanghai, a police vehicle has been parked for more than a year.

On the many occasions I passed it throughout 2023, the bus had shown no signs of life. But while I was taking a closer look one morning in December, a police officer, invisible from the outside, suddenly alighted.

The question of why the bus ended up there in the first place, as opposed to why it is still there now, is more clear-cut. On November 24 2022, a fire in the western city of Ürümqi (Wulumuqi in Mandarin), Xinjiang, killed 10 people.

Days later, the government began to unravel its zero-Covid policy, which fully ended on January 8. The archives of the pandemic also ground to a halt; a vast apparatus that had in 2020 been created to record every individual case was suddenly disassembled.

A year on from the ending of the policy, how is it now remembered, and how well? Like the pandemic itself, pandemic fatigue is a global phenomenon.

In Shanghai, oral histories of the city's 2022 lockdown sometimes act as ice-

breakers for new acquaintances, like the weather. In other circumstances, spontaneous acts of collective remembering break out.

Because it was International Women's Day, Li Hua remembers the moment the university campus on which she worked was locked down: 5pm, March 8 2022.

Hua drove to a flat she was renting next to her daughter's school in the district of Pudong, north of the Huangpu river, just as that too was being locked down.

In China, lockdown communications were handled through WeChat groups that all residents of a given building joined, and mass PCR-testing was a brief opportunity for them to leave their apartments.

She began to like alcohol for the first time in her life, drinking beer and wine at the secret hotpot parties sometimes held in her 500-person building.

That night, along with her neighbours, she went out to the street and lit fireworks. A policeman was standing there, and he didn't stop them; she knew there was an unspoken understanding between them.

Right afterwards, Hua felt like everyone in the city had become close friends. But she left China and went to America.



A man rides a bicycle past a Covid-19 testing booth no longer in use in Shanghai, in February 2023, shortly after the Chinese government abandoned its zero-Covid policy

EPA-EFE/Alex Plavovski

As an academic, she tried to archive WeChat conversations – at her suggestion, a PhD student back in China used them for a dissertation.

In 2023, when she remembered an anniversary of something that happened a year ago, she started to post on WeChat and her friends in Shanghai would respond to her.

There are 26mn people in Shanghai, just one of dozens of cities locked down in China between 2020 and 2022.

Of the great digital archive of the Shanghai lockdown, much survives. During the event, the records were mass-produced at a rate beyond the capacity of any conceivable censorship.

I spent a few hours on Baidu, China's Google, trying to reconstruct the history of the Covid era with no recourse to a VPN. The omissions were smaller than expected.

The most striking exception was the

"white paper movement" – a term that refers to the kind of gathering that took place on Wulumuqi Road (although it does get some limited traction on Bing).

The change was so sudden, someone told me, that it made us feel like we were living in a dream

no reply. I called again, to see if they could confirm the fax had been received.

One of the qualities of the zero-Covid era was the sense of a suspension of other priorities – legal norms, open borders, economic targets – against the singularity of the anti-pandemic goal.

when everyone grew up in work units. How would he describe this time? There was no freedom.

For Baiqiang, the whole period, from Mao's time to the 2010s, was a process of liberation. It is hard to estimate how many families would also, behind closed doors, be discussing leaving.

Covid prevention measures were not unique to China, even if it had its own ceremonies and legal codes.

There was no stadium and no match. Around the corner there was instead hundreds of old people, gathered close to a fountain.

Some names have been changed. Thomas Hale is the FT's Shanghai correspondent

The moral metric

Continued from page 1

The EA ecosystem has other roots besides the Oxford philosophy department. US philanthropist entrepreneurs around the same time adopted a more business-like focus on finding the most effective charities to support.

This matters, because there are two ways to characterise EA. One is modest: it says that if you are going to donate to charity, pay attention to what you fund and choose the most effective charities.

That is hard to argue with: why not want your charity dollars to do the most good possible? But even this modest version leads to some uncomfortable implications.

But stronger commitments inspire the fervour seen among EA's young adherents – many of whom testify to how EA changed their life and gave it purpose.

For if you take Singer-type ideas seriously, the modest version is not where you stop. If you find cause prioritisation – maximise the good from each dollar you give – morally convincing, how can you not apply it to the amount you should give in the first place?

Finally, how can you not ask whether you should really focus on the poor in the world, or farmed animals' suffering, if there is even a small chance that an asteroid or AI could deny trillions of potential future lives their existence, and you could devote your resources to preventing that?

Such "longtermism" is increasingly being adopted by the EA community and its Silicon Valley friends.

There is a reason, I think, why Oxford should have been the place where such ideas have blossomed. Two of its philosophers, John Broome and the late Derek Parfit, spent their careers thinking about the moral need to account impersonally for the wellbeing and suffering of distant or future lives.

"The students are wild about it," says Alan Strudler, an old Wharton colleague of mine who still teaches ethics there. But why? "The psychological reason is easy: they are desperate for a way to do good but they don't know

how," Strudler thinks. That does not explain why EA took off when it did. Many bring up the internet's ability to make ideas go viral. But I think it has as much to do with the challenges afflicting late millennials and Gen-Zers.

Is it surprising that a generation with poor prospects and good reasons to be disenchanted with the world their elders have bequeathed them should

disproportionately find meaning in altruism? It would be more surprising if they did not.

Strudler told me that students are also attracted to the seeming purity of EA's technical apparatus, the same as utilitarianism's. The rational, calculating search for what produces the most good promises "a mechanical and what appears to be an exact way of explaining how to be good in your life... It appeals to techies of every sort."

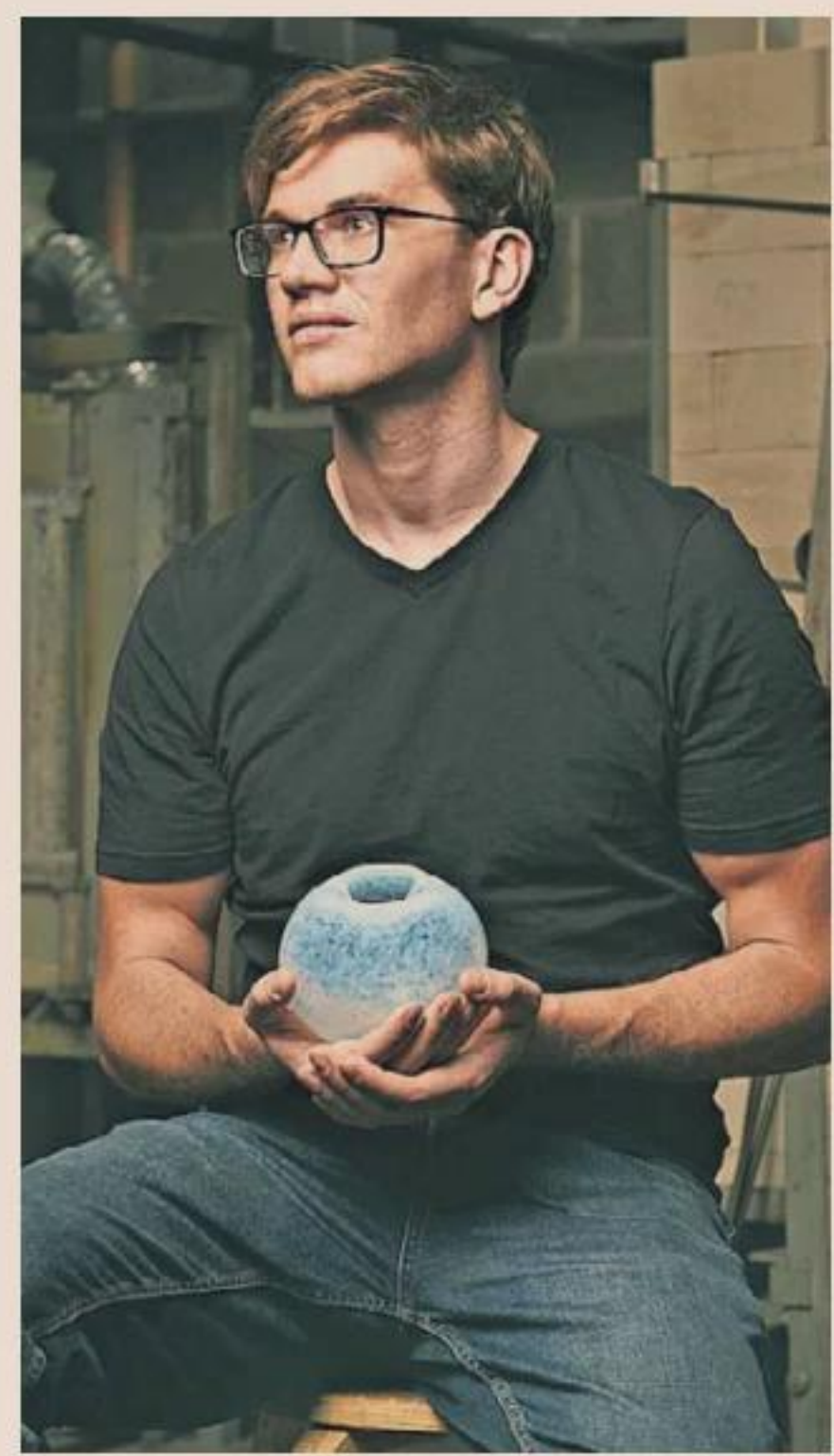
The reduction of moral questions to mere technical problems is surely one reason that EA spread in two particu-

"The focus on philanthropy gives cover to wealth and the increasing inequality there is in the world"

larly moneyed techie communities: Silicon Valley and quantitative finance. Perhaps it was a foregone conclusion that it would become the confession of choice where those two industries converge: crypto, of which Sam Bankman-Fried was once king.

If young people want to do good, what's not to like? "It's good to see that there are so many altruists," says Broome. But, he adds: "I think these people are naive... The focus on philanthropy... gives cover to wealth and the increasing inequality there is in the world... Where the efforts of these altruists should be directed is towards ensuring that governments behave properly. They are not thinking enough about the political structure that underlies their ability to give money away."

As another philosophy professor put it to me, EA suggests to bright undergraduates that "the world is a problem they can solve, not through the difficult work of politics... but simply by applying an easy algorithm". For Strudler, it reflects "a failure of imagination. [EA] is



Philosopher and EA leading light William MacAskill

— Matt Crockett

a substitute for hard moral judgment, but it's a substitute that doesn't work."

One Oxford philosopher says: "The success of EA cannot be explained without exploring its relationship to wealthy people." That includes the funding of multiple satellite institutions at Oxford, such as the Global Priorities Institute, whose original mission statement included "to gain widespread acceptance of the core tenets of EA throughout academia".

The relationship with the university is not unproblematic. One academic told me of unhappiness in the economics department with the quality of some economics researchers hired outside the department but benefiting from the Oxford brand.

EA's relationship with very rich people comes with risks. The collapse of FTX caused a crisis of trust throughout the movement.

In the year to June 2022, Effective Ventures lost £5.2mn on cryptocurrencies, according to its annual accounts, and just this month announced it had to repay the FTX bankruptcy estate \$27mn and would split into separate legal entities for each EA project under its umbrella.

But if I were an effective altruist, what would worry me most is that EA has failed to produce "the most good" in the two public cases where it should have made the biggest difference.

The presence of effective altruists on OpenAI's board was natural insofar as "longtermism" and prospective future catastrophes, such as rogue AI, are tak-

ing up ever more of EA's attention. But one person familiar with the OpenAI boardroom conflict says that EA ideas did not play any role.

And EA ideas clearly did not discourage the fraud at FTX. It is not implausible to think Bankman-Fried knew he was breaking the law but concluded from his trading experience that he had good enough odds to make the money back many times over.

Everyone in the EA community is adamant that Bankman-Fried's conduct was nonetheless wrong. Ord contrasts Bankman-Fried – "a classical utilitarian, number-crunching kind of person" – with most effective altruists, "guided by conventional wisdom tempered by an eye to the numbers".

But that begs the question of what arguments, within effective altruism, could condemn what Bankman-Fried did (assuming it was reasonable to see the odds as above). When I put this to him, Ord accepted I had a point. There must be constraints, he insisted, but admitted they are "not built into the philosophy". This implies, it seems to me, that to achieve the most good we can do, we should not take EA too seriously.

Martin Sandbu is the FT's European economics commentator. He also writes Free Lunch, the FT's weekly newsletter on the global economic policy debate

Lunch with the FT Kristin Scott Thomas

'I never wanted to be top, top, top, top'

She is the star of Oscar-winners, box-office favourites and hit TV shows, from *The English Patient* and *Four Weddings and a Funeral* to *Slow Horses*. Over fish and leeks in London, she tells *Henry Mance* about directing her first film, finally embracing imperfection – and why she really just wants to have fun

We're halfway through our starters, when Dame Kristin Scott Thomas informs me that I must on no account refer to her in this article as an ice queen. "Do not put that in!" she exclaims, helpfully clarifying that it's not the queen part she objects to. I should not describe her as frosty or cold or even "warmer than expected".

Such epithets, used liberally in the actress's four-decade career, have made her "very angry". She corrects herself. "Angry" isn't the right word. It just disappointed me. It's just depressing. You think, surely it's something else?"

She's right. She is something else. For one thing, she may be the most facially expressive interviewee I've ever met. She chose this restaurant, a chic French bistro in St James's, for its gentle acoustics: "I find London restaurants so loud. You have to yell." But I soon realise that a clear audio recording is not enough; Scott Thomas is the first Lunch guest for whom I wish I had a video too.

She flicks expressions from one side of her face to the other, like a magician effortlessly throwing a deck of cards. Her eyes dart, they roll hypnotically and – when we discuss her disastrously reviewed play *Lyonese* – her mouth curls in an appalled grimace.

The other thing – and you may have grasped this already – is that Scott Thomas is particular. When the waiter pours her still water, she freezes. "He did it the wrong way round. It's terribly bad luck." She tops up the glass in what she deems the right way: twisting the bottle clockwise at the end. I have a sinking feeling that my etiquette will mortally offend her, but I console myself with the thought that she will doubtless let me know.

"I suppose I've always been quite pro-conflict," she says at one point. "I think a lot of people have found me very difficult. *Me?* Especially when I was a much angrier younger woman."

For a scene in the 1996 film *The English Patient*, where she and Ralph Fiennes are caught in a sandstorm, director Anthony Minghella asked her to act writing the word "love" on a car window. "And I thought no, I'm not going to do that. So I didn't."

Scott Thomas became one of Britain's most recognisable, most loved actors by playing neat, brittle aristocrats, with sharp vowels and blunt put-downs, from *Four Weddings and a Funeral* to *Gosford Park*. She still takes those roles, notably as Diana Taverner in the excellent Apple TV+ spy series *Slow Horses* – "They wheel me in from time to time to be an important person" – but she has long wanted to escape the pigeonhole. She is thoughtful and restless. She has made dozens of films in French and one in Romanian, a language she'd never spoken previously.

Her desire for novelty led to *Lyonese*, Penelope Skinner's play about how women's claims of abuse are distorted by men. It bombed.

At the mention of *Lyonese*, Scott Thomas herself laughs unprompted. But she is defiant. "How can you be so simple-minded to think the play has to have a conclusion or give an answer? The whole point is: here are the problems, now you go away and talk about them." She promises to be back on stage soon. "I want to do more things like this, that get people's blood boiling."

What she won't do, aged 63, is keep being a muse for men. She has made her first film as a director, *North Star*, starring Scarlett Johansson and out in 2024. It explores the effect of her own childhood tragedy: her father was a navy pilot who died in an air crash when she was five, and her stepfather, also a navy pilot, died in a "terrifyingly similar" crash when she was 11. A private person, often hemmed into supporting roles, Scott Thomas is now putting her life story centre stage. At a cast screening the day before we meet, "I was literally shaking in my boots."

Modern film sets do not stop for lunch. Scott Thomas, who moved to France aged 19 as an au pair and has



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spent much of her life there, objects. "It's really miserable. You're sitting there trying to play a romantic scene and you've got some rigger chomping away on his vindaloo."

She insisted that the cast of *North Star* took a decent lunch, and she wants one today. She orders leeks followed by halibut. I choose celeriac, then pumpkin.

Her father's tragic death has long been part of her public narrative. After she had acted in her first feature film, directed by Prince, a French TV interviewer asked, "So how does your daddy feel about you acting in a film with Prince?" And something in my brain said, "Urgh, I hate you." I remember thinking, I'm going to fucking kill him with a situation he can't get out of. I said, "He died."

In her hands, the story is even more haunting. Scott Thomas had suffered from traditional English coldness after her father's death: she was told not to cry, and was sent to a girls' boarding school, which she hated.

When she was aged around nine, her stepfather offered to adopt her. She would swap her father's surname, Scott Thomas, for her stepfather's, Idiens. She said no in an instant. "I felt it would be betraying my recently died father." The name was "the last thing that remained of him". In *North Star*, she plays with the idea of this moment as "a terrible secret", which could tear siblings apart years afterwards.

She came to idolise her late father and stepfather. "I lost my father when I was five – peak father worship moment – and it's taken a really long time to get over the idea that people aren't perfect. Whether it's a romantic involvement or a friendship or a work relationship, I want the people I admire to be flawless. They can't be."

So *North Star* is a counter both to her stiff-upper-lip upbringing and to the trauma-searching of the modern age. In one moving scene, the character who resembles Scott Thomas's mother – played by Scott Thomas herself – urges her adult daughters to stop fantasising about the past and to become "women, not daughters".

Scott Thomas has been through that process. Her mother – an "absolute warrior" who pushed her children through life even when money ran short – died last year.

"You're always your mother's daughter until she's not there any more. You're always slightly in your mother's wake.

It's a huge sadness, of course, but there's something empowering about it as well. I do feel more grown-up now that she's gone. But it breaks my heart that she's gone." She pauses theatrically: "*I won't weep in this interview.*"

She doesn't weep; she gathers pace. "I feel like there's an authorised version of me, and this is it. I have some kind of relevance. I'm not just my mother's daughter, I'm me now. Possibly because I'm the eldest in the family now. I also have grandchildren. My ex-husband [a French obstetrician, François Olivennes] said this brilliant thing: he loves his grandchildren so much that the children are just a byproduct." Grief is the price we pay for love, and children are the price we pay for grandchildren.

Scott Thomas has also moved beyond the loss of her father. Thirty-odd years ago, a bald, paunchy man approached her at a wedding. "He says, 'I was a great friend of your father's.' [I thought], you can't possibly be. Why would my dad be friends with a man twice his age?" Did she want to hear his memories? "If I'm really honest – this is a bit personal – if I were to meet somebody who would tell me about my father now, I would think the moment's gone, because I don't need him any more. I needed him when I was 11, 13, 20, 30."

Not everyone will tell the past lie. Amateur divers in Dorset plan to survey the site of her father's crash next year. They say their work could publicise how navy planes were lost in night-flying exercises. "Oh, God, that's gross," says Scott Thomas. "Why would you want to do that? It's like anyone going down to see the Titanic. I don't understand that. And it. Doesn't. End. Well."

Scott Thomas has swept up her leeks and hazelnuts, leaving the bed of green leaves. The main courses arrive. My chips are a temperature that my central heating can only dream of.

She came to fame in *Four Weddings*. Should her character, lost soul Fiona, have ended up with her unrequited love, Hugh Grant's Charles? "Yes."

Another diner walks past our table on his way out. "Hi, how are you?" Scott Thomas says to him, before turning back to me, mischief on her face: "He was supposed to be at the screening yesterday. Said he had flu."

Four Weddings was once a cultural landmark, but she now sees it as "kind of irrelevant . . . Don't you think that

what [young people] aspire to now is so different?" Partly it's the lack of buying power. But also "desire is waning, because every need is fulfilled instantly in today's age. People have stopped longing for things. It's quite frightening that, isn't it?"

Four Weddings also saw women mainly through men's eyes. Here the zeitgeist has definitely changed. Which brings us to *Lyonese*. Scott Thomas played a once famous actress who has turned into a recluse after suffering emotional abuse. The play asks whether she'll be allowed to tell her tale. Critics found it muddled. The Times said Scott Thomas "exhibits no gift for comic timing, but simply raises her voice and hopes for the best". It was the worst review of her career.

She normally doesn't read reviews: the bad ones because they "will freak me out", the good ones "because every time you say that line, or be that funny, you're going to think, 'God, I hope I did it as well as I did yesterday.'" But one popped up on her "telephone" (she appears to be the last person in show business to call it a telephone). "It was a shocker going back into work the next day."

She protests that audiences appreciated the play. "Everybody leaves that theatre, saying, 'Was Elaine smothered that much or is she just mad?'" Well, some left early, angry at having paid £140 or more for a ticket. "Theatre is too expensive, I agree. However, for

'I suppose I've always been quite pro-conflict. I think a lot of people have found me very difficult. *Me?*'

some people, £140 is nothing." Richer theatregoers subsidise cheap tickets; she argues that the West End can't just be musicals, reruns and TV spin-offs. "Do we want the West End to become this huge corporate tanker? . . . I'm not ripping anyone off. The people who are spending £140 to buy a ticket – they can get one for much less or they can go and see another show."

Lyonese features Greg, a superficially modern man who cajoles his wife into getting pregnant again at the expense of her career. "I feel really sorry for Greg, because he hasn't been brought up with the idea that her life is as important as his . . . I know people who have been denied childcare because the wife wouldn't earn enough to merit it. It just drives me insane." She hates the phrase "stay-at-home mum": "Stay – like a dog."

I ask if Scott Thomas was always a feminist. Not exactly. "I only went to all-girls schools. I never encountered any men, and I didn't have one at home. The first time I ever sat next to a boy in a normal situation was at drama school." Until then, "all I saw was the woman [her mother] who one minute would be mending the boiler – terrified because it might blow up – the next minute changing a tyre on the M1 in the dark, and taking me to music concerts . . . She didn't seem to have any barriers."

Her own children shaped her career. She wanted to give them a European education. "I didn't want Europe to

become an exoticism . . . If I had gone to America, I would have had a very, very different life. Because I'm very easily persuaded – the opposite of everything I've just told you – I'd be awful in LA." But she loved motherhood. "Some people want to be top, top, top, top. I've never really wanted to be top, top, top, top. I want to be chosen. But I just want to have fun."

The waitress offers dessert. "Not for me. *Actress!*" says Scott Thomas, ordering an espresso instead. She moved back to London a few years ago: "A lot of people in their fifties start really longing for their homeland . . . Shall I tell you what my ideal world is? My dream is to make French films and every couple of years come and do something in London on stage."

In the TV comedy *Fleabag*, Scott Thomas had a show-stealing cameo as a power-woman who celebrates the menopause and tells co-star and the show's creator Phoebe Waller-Bridge to "grab the night by its nipples". In real life, she wouldn't dare give such advice: "Who the hell am I?"

Is she closer to embittered Elaine from *Lyonese* or the liberated executive from *Fleabag*? "Getting older is a bummer. You can't run around as much. Some people say [she mimics a high-pitched whine]: *Of course you can, I took up running when I was 64*. Give me a break. My knees hurt. [But] I'm less of an angry old woman." Directing gave her confidence: for once, people did what she asked. "I can stand up for myself but not in a defensive way. I think I was very, very defensive."

Artificial intelligence could probably allow her to appear in movies as her 30-year-old self. She recoils. "I just find it terrifying, because they can make you do what the hell they want."

She doesn't long for eternal youth. "Lucky, I wasn't a babe." Huh? "They used to call me thinking man's crumpet, which I quite enjoyed. But I was never pretty or sexy. I didn't have to become something else. Basically, I've just got wrinklier, but I'm still the same." I wonder if she is trying to make me flustered, or if she doesn't have to try.

Sienna Miller's character in *North Star* is an actress who complains that, when you're famous, "the only men who are brave enough to chase you are the assholes". Is that Scott Thomas's experience? "I thought she had a point."

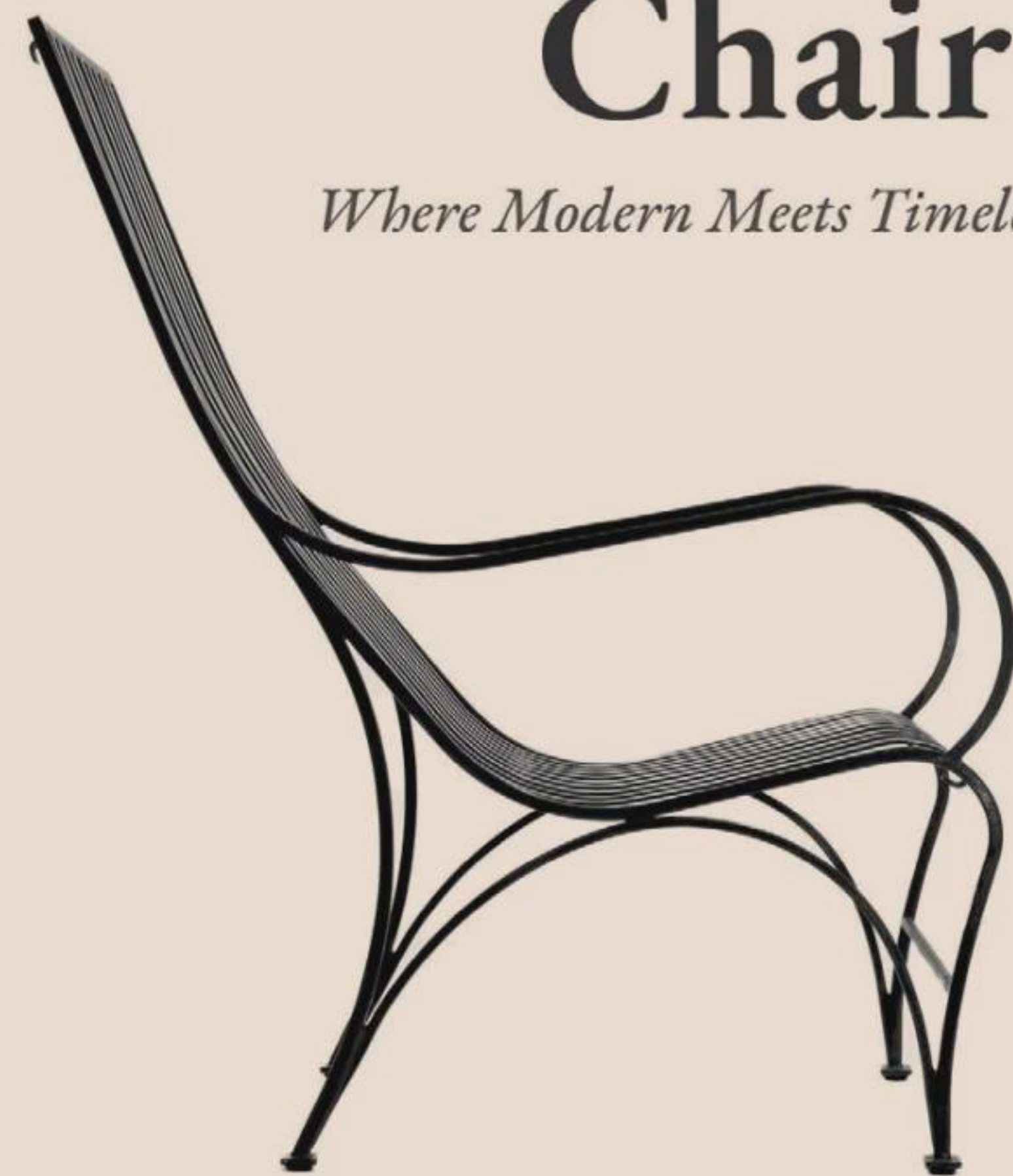
In the film, Scott Thomas's mother remarries a bearded ornithologist. It is a paean to unglamorous, dependable men (Scott Thomas's partner is John Micklethwait, editor-in-chief of Bloomberg). I ask if Micklethwait, a country squire type with whom she wrote the script, resembles Hugh Grant in *Four Weddings*. "I'm not going to talk about him. I'm talking about *me*," she says, with a face that suggests she doesn't intend to be talking about anything for much longer.

How has she avoided her life becoming celebrity fodder? "I long to be cool, but that's never going to happen," she smiles. After she's left, it strikes me that her directness and self-doubt are in fact cool – would she allow me to say cooler than expected?

Henry Mance is the FT's chief features writer

The Swan Chair

Where Modern Meets Timeless



MUNDER
SKILES

The woman turning actors into style stars

Erin Walsh | *Annachiara Biondi* talks to the stylist

behind Anne Hathaway's red carpet transformation

In November, Anne Hathaway hosted the CFDA Fashion Awards, an annual ceremony that honours the best of American fashion. The film star stepped on to the red carpet wearing the most American of looks: a double denim corset and skirt designed by Ralph Lauren, worn with Bulgari jewels.

The look was a crowning moment of Hathaway's recent fashion resurgence, and it was orchestrated by celebrity stylist and fashion editor Erin Walsh.

Hathaway has been in the limelight for at least two decades, but her red carpet appearances haven't always hit the spot — despite her collaborations with celebrated stylists including Rachel Zoe, Penny Lovell and Law Roach. In the 2010s she was regularly featured in tabloids' "worst dressed lists". The pale pink Prada dress she wore at the 2013 Academy Awards elicited headlines such as "Anne Hathaway's Oscar Dress: Worst Outfit of All Time?". Her look at the 2019 Golden Globes was described as a "misguided leopard travesty".

Under Walsh's guidance, however, Hathaway has again become a fashion darling, swapping the classic, hyper-feminine outfits she previously favoured for edgier, more contemporary looks. Gone are the A-line, ladylike tulle gowns and dresses cinched at the waist. In their place are sparkling minidresses, ankle-grazing skirts, and suit trousers paired with midriff-baring tops and structured jackets, as well as dresses with cut-outs and see-through details.

Her looks are now being described as "fashion forward" and "breathtaking". In March, Hathaway and Walsh featured together on the cover of *The Hollywood Reporter's* annual issue celebrating Hollywood's most powerful stylists.

But behind the gloss, the world of styling is a delicate balance of creativity and commercial relationships, making it a hard career to crack. How has Walsh risen to the top?

The stylist, who speaks to me over Zoom from Los Angeles, where she is based, likes to describe herself as a "storyteller", and believes that much of what she does for her celebrity clients is "making them feel and look like the best version of themselves". When asked about the practical steps she took to transform Hathaway's look, Walsh — who also works with Selena Gomez, Sarah Jessica Parker, Kerry Washington and Ashley Park — demurs.

"Fundamentally, what I'm here for is to help people better tell their stories

through clothes," she says. "I'm not in the business of putting my vision on to somebody. I'm helping translate a vision, whether it is a fashion vision or a feeling vision."

Celebrity stylists' work can certainly help clients gain self-confidence and better express themselves, as Walsh says, but it is also a commercial booster, landing exposure, brand ambassadorships and campaigns for these celebrities. Since Hathaway started working with Walsh, she has been named ambassador for the Italian jewellery house

As well as maintaining her contacts, Walsh says the job involves a lot of production, logistics and physical work

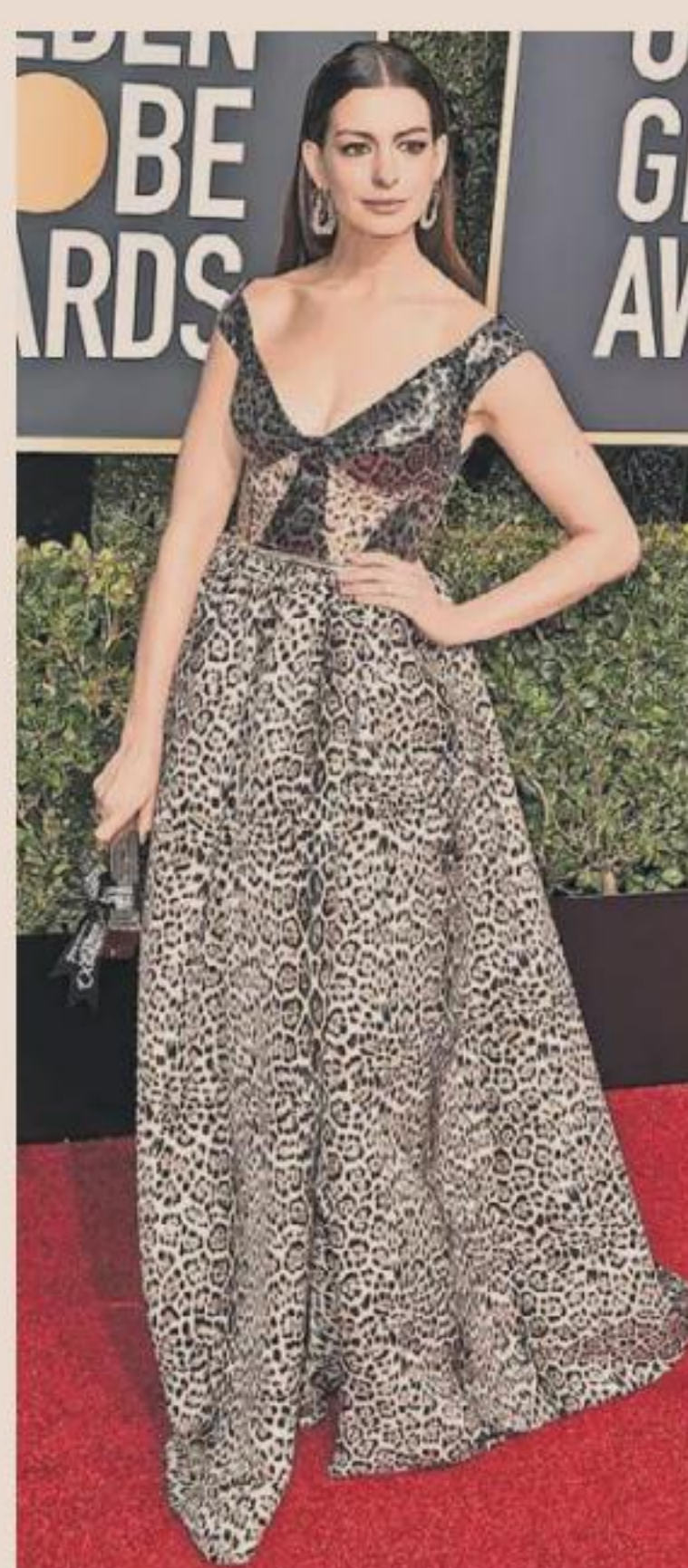
Bulgari and Japanese cosmetics company Shiseido, as well as for Versace's Icons collection.

"We give a huge amount of star power to the right client," says London-based celebrity stylist Michael Miller. "If they look amazing and the fashion press publishes their images all over their best dressed lists and articles, that's free publicity."

According to Adam Shapiro, founder of London-based press agency L52 Communications, working with a stylist who has strong, longstanding relationships with celebrity clients can reassure a brand when it needs to decide on a star to hire for a campaign. "They allow brands to feel comfortable that their campaign star will always look great, outside of shoots and moments the house directly manages," he says.

Celebrity styling is a big business in itself. Some stylists can be paid thousands from brands to dress their clients on awards and other attention-grabbing occasions. Miller describes it as a "behind the scenes thing" that is becoming more common, especially when brands want to start to build a relationship with a certain celebrity. "Award season is one where people often get paid, both clients and stylists," he adds.

According to Nick Nelson, a costume designer, stylist and lecturer of the Inside Fashion Styling course at The New School in New York, someone of high calibre can ask for up to \$20,000 a day. Other industry sources estimate someone on a similar level to Walsh could be on an annual retainer of \$250,000 per year.



Main picture: Erin Walsh

Above: Anne Hathaway wearing a 'misguided leopard travesty' in January 2019 (left) and in October 2022 (right)

Top right: Selena Gomez in September

Christian Hogstedt; Getty Images; GC Images



Before reaching a six-figure salary, however, stylists have to find their footing in a highly unregulated industry with low wages and long payment times. According to Miller, who in August co-founded the Celebrity Stylist Union, a branch of the UK's Broadcasting, Entertainment, Communications and Theatre Union (Bectu), stylists are paid on average \$500 per red carpet look — a fee that is expected to include all the prep work, which can take days, and expenses such as travel, shipping

and tailoring. When calculated as an hourly rate, that fee is often below minimum wage.

"A tailor costs between £300 to £400 plus VAT for eight hours of work, which is usually how long it takes to re-tailor a suit," Miller says. "An assistant is a minimum of £150 per day. There are so many expenses, but we are getting an all-inclusive rate. Studios refuse to give expenses. It's horrendous money and sometimes they have 90-day payment terms."

Walsh herself recalls tough times. "When you are starting, you have to get creative with how you are going to cover your costs" she says. "[There were] lots of times when there was zero money in my bank account. In my twenties I was everything from a coat-check girl to a bartender. I had a late rent a bunch of times."

Could a union help stylists in the US, where Hollywood actors and writers have been on strike? "I've been asked about it and I'm certainly not opposed to it," says Walsh. "It certainly could. I would like to know more about it."

Walsh's career has an accidental element to it. When the stylist started to work in the fashion department of *Vogue* in 2006, she didn't know her current job was, well, a job. "It never occurred to me that it would be somebody's job to style people," she says.

She assisted *Vogue* editor Phyllis Posnick and worked alongside other fashion editors, including current Harper's Bazaar editor Samira Nasr, Joe Zee and Alex White, before going solo at the beginning of the 2010s. She pinpoints meeting actress Kerry Washington



(from the TV drama *Scandal*) as the moment that changed her career. "She was promoting her film *Django Unchained* and you could feel a real cultural moment [happening] for her," Walsh says. Shortly after, Walsh started working with Sarah Jessica Parker, creating her Met Gala looks, then Kristen Wiig and Gwyneth Paltrow, when she assisted Elizabeth Saltzman.

As the *Hollywood Reporter* cover testifies, stylists such as Walsh, Law Roach and Elizabeth Saltzman are now celebrities in their own right. But Walsh believes that aspiring stylists face many of the same challenges she had to overcome — possibly even more because competition has increased. She also warns that the job itself is far from glamorous, with a lot of production, logistics and physical work involved, as well as the ability to maintain contacts and connections.

The custom Giorgio Armani Privé look that Hathaway wore at Cannes in 2022, for example, was the result of multiple sketches and a back-and-forth with Armani. When clients aren't as well known as Hathaway, brands have to be convinced to lend their clothing to the stylist, a process that involves negotiations with multiple brands. And then all the logistics of unpacking, prepping and even tailoring outfits.

"It's a lot of schlepping," sums up Walsh, who sometimes is given only one day of prep time ahead of an event. To be ready at any given moment, the stylist keeps an "undergarment arsenal" for clients as well as a list of which designers work the best for each person, given their particular shape and silhouette inclination. "This business is all about relationships. When things come up last minute, you need to be able to make the direct call and say, 'I need this immediately,'" she says.

She advises newcomers to keep their ego in check and be open to possibilities. "I met Kerry [Washington] because I was asked to clean up her closet and I said yes. I tell this to my assistants all the time, you don't know how you are going to connect with someone," she says. "And be nice. To everybody on set, every person in the equation: every assistant, every tailor, every publicist, everybody."

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Men's pyjamas worth getting out of bed for

Stop slobbering about in old T-shirts and boxers, says

Aleks Cvetkovic, and indulge in elegant loungewear

The *Italian Job* is tailor-made for watching in the downtime after Christmas. And while Michael Caine's immaculate suits made a profound impression on me at a tender age, it was Noël Coward who stole the show. There's just something hugely entertaining about an imperious master-criminal ruling the roost from inside "the nick" while wearing a purple paisley dressing gown.

And so it's while hibernating at home that I find myself hankering after Coward-worthy loungewear. The great playwright would undoubtedly despair at the dreary (and frequently frayed) pyjamas that constitute most at-home dressing these days.

Why do we feel that we can get away with slouching about the house in washed-out T-shirts and threadbare old boxers? It's a depressing state of affairs and, at Christmas, grossly unfair to one's loved ones who bear witness to these sartorial degradations.

Loungewear should instead be a thing to indulge in and enjoy — not only because your immediate family will appreciate it, but also because it will help you to feel good, according to Tom Leeper, creative director at quirky British outfitters New & Lingwood. "They're a great alternative to a smoking jacket."



loungewear that makes you feel special," Leeper says. "We spend so much time at home and in bed, so why not feel good while you do?"

New & Lingwood's dressing gowns in silk jacquard or patterned velvet have become something of a cult item — albeit for big spenders. Brushed cotton robes start at £595, while elaborate silk-and-velvet numbers are £3,500. "You can wear them around the house, but we also have clients who wear our gowns as eveningwear," says Leeper. "They're a great alternative to a smoking jacket."



Above, from left: Tom Adam lounge-wear set, €295; New & Lingwood robe, £2,750; Cary Grant in 'Room for One More' (1952)

Alamy



Loungewear is a switch 'between private and public life', a 'change of headspace' when you get back home

Of course, not everyone may be quite so *Present Laughter* in their tastes. For modernists interested in loungewear that's a little more down-to-earth, David Gandy Wellwear has just collaborated with Hackett London on a 12-piece loungewear capsule. Gandy, a former model, launched his brand of versatile basics that specialise in high-end fabric

technology in 2021 (you can buy a hoodie, for example, aimed at helping post-workout recovery, or T-shirts featuring anti-bacterial nanotechnology).

This collaboration with Hackett London offers an understated and cosy take on loungewear sets. These are less Noël Coward, and more Paul Newman in *Cat on a Hot Tin Roof* (sans crutch). Most pieces are made from a super-soft blend of cotton and modal, and everything in the collection — from the breathable waffle-knit henley, to the separates in navy or charcoal — is treated with an aloe vera extract fabric finish that's pitched as both moisturising and anti-inflammatory.

While Wellwear's collaboration with Hackett comes in an understated palette, lovers of colour can find plenty of options too. Berlin-based brand Tom Adam was established by 27-year-old Tom Vitolins in 2015 to encourage us all to "embrace loungewear as an act of self-care". Its pyjama sets, which feature mood-boosting candy stripes, can be

broken up and worn casually out and about. In tencel or linen, its pyjama shirts work well as lightweight overshirts thrown over T-shirts and chinos. You can opt for classic drawstring trousers with your shirt, but the short-short sets are bestsellers.

"They're almost like skate or surf shorts," says Vitolins.

To writer and creative director Tony Sylvester, proper loungewear "is a demarcation between private life and public life", and a way to "change your headspace" when you come home.

During lockdown, Sylvester began to make made-to-order slippers for close friends, a project that has evolved into AWMS, a brand offering limited-edition clothes and accessories inspired by mid-century designs such as cricket sweaters, short-flight berets and sculptor's smocks. Slippers are still a mainstay of the AWMS collection, whether tartan Albert slippers, striped mules, opera pumps, or leopard-print Grecian slippers inspired by those worn by composer Paul Bowles at home in Sri Lanka.

"Slippers like these are more versatile than you think," Sylvester says. "They're meant to be relaxed and leisurely but, at the same time, they have historic associations with eveningwear so they can be quite formal. You can wear them around the house, or out with battered old jeans or combat trousers, then you can also wear them with your tuxedo."

So, go for it gentlemen — treat yourself and save your loved ones from the horror of tatty loungewear.

After all, pyjamas are for life, not just for Christmas.

The soft power of the blouson jacket

Trend | This unassuming garment
has been the one redeeming feature
of the 'stealth wealth' look of the
past year, says *Nicholas Foulkes*



Top: Kendall Roy, left, with siblings in 'Succession'. Above, from left: Zegna Oasi cashmere jacket, £3,175; Connolly vicuna bomber jacket, £12,000. Right: Tom Ford's SS24 ready-to-wear collection

Home Box Office; Swan Gallet/WWD via Getty Images

became the key to its success. It was so cool, practical and versatile."

Sartori has designed a version, the Oasi, in water-repellent cashmere (£3,175, matchesfashion.com) that he says can "substitute for a classic blazer or sport coat to create practical, aesthetically clean, and very luxurious and modern silhouettes".

Peter Hawkings, the newly appointed creative director of Tom Ford, is also a fan of the blouson, which he has designed to "make it feel like an elegant add-on to our suits," he says. "It is also perfect for weekends. When I want to go out for Sunday lunch at Riva, I will wear my pleated pants and matching

blousons with handmade buttonholes and tailored detailing – it feels elevated but not too formal."

If there is one man who knows how to tailor a blouson, it's Henri Zaks, proprietor of Seraphin in Paris. He deserves the title "blouson king", but his name is virtually unknown beyond a small circle of initiates permitted to enter his atelier on the Quai de Valmy. For most of his 56-year career he has worked *sub rosa* for the brands we all know: he has made for Hermès, Louis Vuitton and Dunhill, among others. I was introduced to his work by the late Joseph Ettegui, for whom he used to make leather coats, jackets, parkas, gilets and – yes – blousons. Now he has chosen Connolly, owned by Ettegui's widow Isabel, as the only place other than his workshops where it is possible to be measured up for one of his celebrated custom blousons.

What makes the Seraphin experience unique is the combination of Zaks's enthusiasm for his materials. I have been with him when a new delivery of hides has come in – perhaps elk from Svalbard or Eritrean lambskin. His eyes light up and he rushes downstairs, past workshops full of craftsmen polishing skins with sheepskin mittens, to the vaults, where he pulls out roll after roll



of leather to talk me through the various properties, encouraging me to inspect it closely, ball it up in my fist, inhale its aroma and generally admire its characteristics.

Zaks took his first job in a leatherwear factory in 1967 when he was 17. It was here that he met his wife, and in 1975 they set up their own business in a basement next door to the ultra-French Paris bistro L'Ami Louis, recruited a couple of Sicilian tailors and started to sell to luxury menswear shops.

His genius was to use leather in the same way as any other fabric. "At the time, leather was very slow for summer

'With handmade buttonholes and tailored detailing, it feels elevated but not too formal'

because everything was dull and heavy," he recalls, so he decided to make things that were light and colourful. His first hit was a patchwork multicoloured blouson with suede and leather: "Jean-Paul Belmondo bought five or six."

That is often the way with Zaks – his work is highly addictive: François-Henri Bennaïm, the ebullient outgoing chief executive of Audemars Piguet, has a wardrobe of 18 bespoke Seraphin blousons in leather and suede, from conservative blue and brown to lime, pistachio and purple.

"I love that this is one of those slightly hidden treasures that you could find off the beaten track, whether it be in Paris, in Milano . . . places where people have a craft they've been developing for years and years," says Bennaïm. "They are not brands per se, because they manufacture for many others in their career. But they have the ultimate knowhow that makes me want to be closer to them because I am not chasing brands in my clothing; I chase quality and look."

Choosing quality over branding is, for me, the essence of stealth wealth. Granted, pistachio, lime and purple may not be the most understated of colour choices, but Connolly understands the stealth-wealth as few others, which is why, alongside numerous suede options, there is a choice of cashmere (from £2,650) and vicuna (from £12,000).

In reality there is very little visible difference between the two and only the feel of the fabric gives it away. But if you choose the vicuna you will enjoy the inner comfort of knowing that you have spent five times as much for something that looks like workaday cashmere.

What next year has in store for luxury



Pharrell Williams's pre-fall 2024 collection for Louis Vuitton in Hong Kong—Reuters

tors last month, is that it's happening everywhere. "This has been something that is quite unique, because historically you get softness in one region, you'll be able to pick it up in the other," he said.

Chanel, which has a higher concentration of wealthy customers than Burberry, has observed a similar trend.

"What we are seeing is a down economy everywhere, in every single country," Bruno Pavlovsky, Chanel's president of fashion, told the FT earlier this month. "I don't have a crystal ball, but the situation will be tougher [next year] than what we saw in 2023." Still, he cautioned that such slowdowns are part of a

normal cycle and that luxury "can't be in permanent two-digit growth".

The sector is still expected to outperform the broader fashion market, which is more susceptible to economic pressures, and which analysts at McKinsey expect will grow between 2 and 4 per cent next year.

Turnaround brands will struggle

Bain partner Claudia D'Arpizio says that luxury is entering a "Darwinian phase", with some brands – particularly those catering to older, high net worth individuals and those that are well diversified across categories, such as fashion brands with strong hospitality and beauty businesses – poised to continue outperforming their peers. Brands that are in the middle of a turnaround or creative transition, such as Gucci, Burberry or Ferragamo, will have a tougher time. As will smaller brands that cannot compete with the marketing and retail budgets of the big players.

"Scale is a big topic," says Citi's Chauvet. "If Ferragamo or Tod's spend 10 per cent on marketing, you're looking at a

budget of €100mn, but at Louis Vuitton that's about €2bn."

Multibrand retail will take a hit

The end of 2023 has been an especially difficult period for department stores, independent boutiques and other multibrand retailers, with many of them struggling under significant debt and too much inventory – the effects of which will be felt well into 2024.

Last month Saks Fifth Avenue parent company Hudson's Bay Company raised \$340mn in funding after months of unpaid invoices reportedly led several vendors to halt holiday shipments. Farfetch, whose stock had fallen 97 per cent from its peak by mid-December, was rescued from administration at the final hour thanks to a \$500mn bridge loan from South Korean retailer Coupang and Greenoaks Capital Partners. Fellow loss-making luxury retailer MatchesFashion was sold to Mike Ashley's Frasers Group for just £52mn two days later.

When retailers struggle, so do the brands that sell to them. Young designers in particular are often subject to contracts that make them financially liable for any goods left unsold or sold at a discount.

Designs will be more casual

After a post-lockdown "return to dressing up", customers are back to investing in casual luxury basics such as cashmere hoodies, drawstring trousers and flat shoes, buyers say. Just don't call it "athleisure" or "streetwear": Net-a-Porter's preferred terms are "The Extraordinary Everyday" and "Chic Sportif".

Another category where demand is softening? That would be handbags, which are suffering from a combination of lower consumer confidence among first-time buyers, particularly in China, and substantial price increases over the past two to three years, which have made certain styles less attainable.

Top customers will get all the attention

While "aspirational" and first-time luxury shoppers are zipping their wallets shut, luxury executives say that their

loyal customers continue to splash out – and will thus remain a priority in 2024. That will mean more high-end, limited-edition product, more extravagant shows, and greater investment in events and private shopping spaces dedicated to wooing VICs (Very Important Clients).

Price hikes will continue – but at a slower rate

When the 2008 global economic recession hit, brands were forced to slash prices to move inventory – kick-starting a discount cycle that took the better part of a decade to recover from, particularly in the US. (One reader recently regaled me with an account of the "significant boost" her Chanel jacket collection received "during the Saks fire sales of that time".)

Most major luxury brands have since reduced their exposure to department stores and other channels where their wares might be sold at a discount, and such drastic price cuts are unlikely to come around in 2024, analysts say.

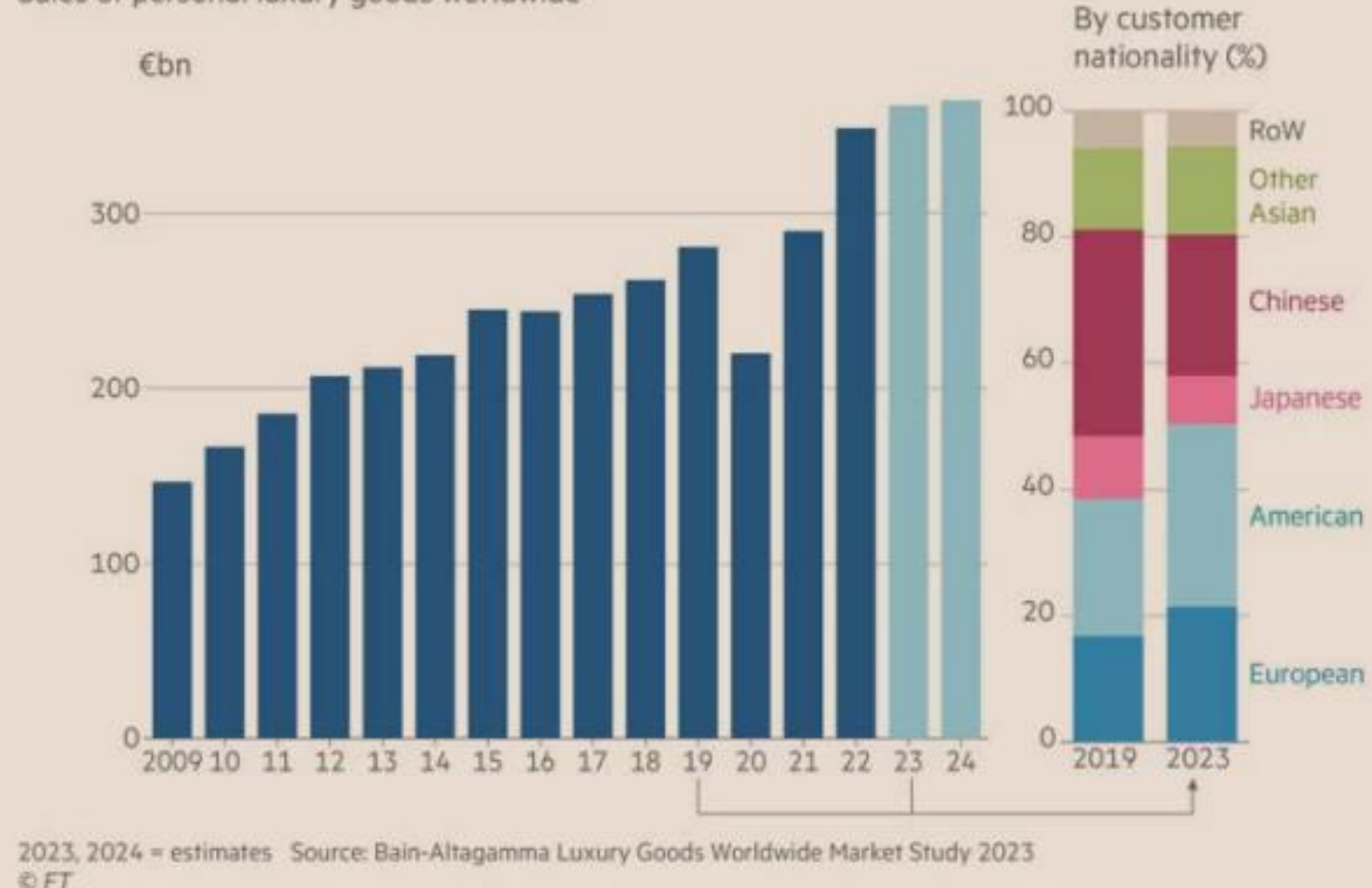
Instead, inflation – which the IMF forecasts will drop from 6.8 per cent in 2023 to 5.2 per cent in 2024 – is likely to drive prices up again next year, albeit at a lower rate than years previous.

While top spenders might be able to absorb the increases, analysts say brands need to think hard about what products they can offer at the entry-level. Mini bags, T-shirts and trainers have become both more expensive and received less creative attention amid a hyper-focus on top-end customers, says Bain's D'Arpizio. It could result in the introduction of new entry-level categories such as tech accessories and fashion jewellery.

That may be one of the silver linings of the slowdown, executives at smaller, more traditional heritage brands say. After years of snapping up trendy, logo-heavy products marketed via celebrities and big-budget campaigns, they believe customers are poised to become more discerning about the quality and longevity of the individual items they're spending their money on – which is where they believe they have an advantage.

Luxury goods growth to slow next year

Sales of personal luxury goods worldwide



2023, 2024 = estimates Source: Bain-Altgamma Luxury Goods Worldwide Market Study 2023 © FT

A slowdown 'everywhere'

What is unusual about the present luxury slowdown, Burberry chief Jonathan Akeroyd observed on a call with invest-

Travel

January

Chilean self-drive adventure January and February are ideal times to visit wild, rugged Aysén, Chile's most sparsely populated region and one that remains off the beaten tourist track. Journey Latin America's two-week trip includes six days driving along the Carretera Austral past fjords and glaciers, as well as three days on Chiloé Island and the chance to walk among the 1,000-year-old Fitzroya trees of Alerce Andino National Park. It costs from £4,630 per person, including accommodation, domestic flights, car hire and excursions; journeylatinamerica.com

Ski hideaways in the Dolomites Launched earlier this month, Sky Alps' new direct flight connects London and Bolzano, capital of the South Tirol, and seems likely to raise the profile of the western Dolomites among anglophone skiers. It's an area that has had a swathe of hotel openings recently, including My Arbor, a five-star "tree hotel" that stands on the edge of a forest on 66 stilts, and offers ski-in, ski-out access to the slopes of Plöse (doubles from €490 half-board; my-arbor.com). Close by is Forestis, originally a tuberculosis sanatorium built just before the first world war at 1,800 metres, then reborn as a ski and spa retreat in 2020 with three striking towers (doubles from €720 including half-board; forestis.it). Meanwhile, Sessoria Dolomites, an adults-only spa retreat, opened last year at the foot of the Alpe di Siusi ski area – and only half an hour's drive from the airport (doubles from €510 all inclusive; sessoriadolomites.com).

Gerhard Richter in St Moritz In 1989, German artist Gerhard Richter sought advice on where to go on holiday from the Swiss curator Dieter Schwarz, who suggested the Waldhaus, a very traditional, family-run hotel in Sils Maria in Switzerland's Engadin valley. Richter loved it, returning again and again, and producing a huge body of work inspired by the high Alpine landscape. This winter an exhibition curated by Schwarz, featuring more than 70 of these paintings, photographs and sculptures, will go on show across three institutions in the valley: Hauser & Wirth St Moritz, the Segantini Museum and the Nietzsche-Haus (nietzschehaus.ch) in Sils Maria, the house where Friedrich Nietzsche wrote much of *Thus Spoke Zarathustra* and *Beyond Good and Evil*. The exhibition runs until April 13 (see hauserwirth.com). Doubles at the just-opened La Margna St Moritz, five minutes from Hauser & Wirth, cost from SFr950 (£880) (gracestmoritz.ch). Doubles at the Waldhaus Sils start at SFr400 (waldhaus-sils.ch).

February

The new Grand Egyptian Museum, Cairo More than two decades in the making, the immense Grand Egyptian Museum is expected to open by the end of February. Among the 100,000-plus artefacts on display across 12 galleries, there will be 5,000 objects from Tutankhamun's tomb, 2,000 of which have never previously been exhibited. Other treasures will include the 43 metre-long, 4,600-year-old boat commissioned by the Fourth Dynasty pharaoh Khufu, who built the Great Pyramid of Giza (itself visible from the museum's panoramic windows); the Merneptah Pillar; and, in the soaring atrium, the 3,200-year-old, 83-tonne, 11-metre-high monumental figure of Ramesses II. Abercrombie & Kent (aberkrombiekent.co.uk) will feature the museum as part of its seven-night Classic Egypt tour, from £4,480 per person.

Turkey in winter An eight-day tour to Istanbul and Cappadocia soaks in the cultural tapestry of Turkey, without the summer tourist hordes. Guided by the erudite British travel writer and broadcaster Jeremy Seal and Cappadocian archaeologist Yunus Özdemir, the trip includes four nights in Istanbul. On the fifth day, guests will take a private boat up the Bosphorus river strait to the Sadberk Hanım Museum, whose exhibits span more than 4,000 years of Anatolian art and artefacts, before flying to Cappadocia – which, if the snow falls, turns into something like a fairytale. The next two days are spent hiking, visiting Byzantine rock churches, underground cities such as Mazı – a regional refuge from persecution since it was first excavated around the Roman period – and warming up around log fires with bowls of lentil soup and mugs of *sahlep*. It runs February 4-11 and costs from £2,300 per person; see somewhere.wonderful.com/tours

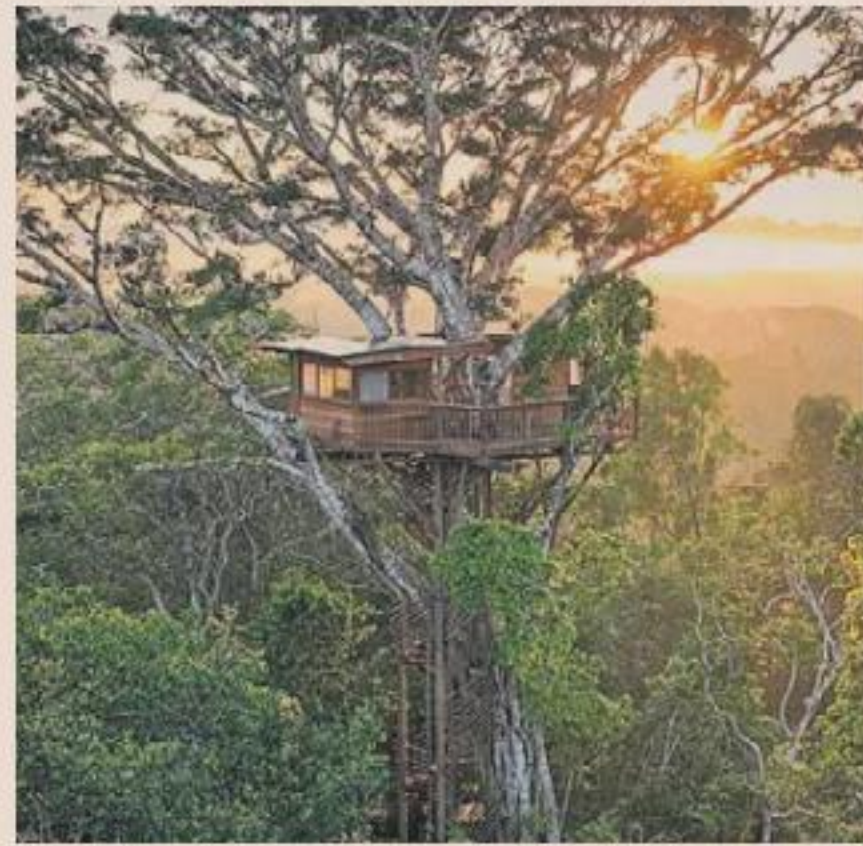
Clover Stroud in Marrakech On May 9, bestselling British memoirist Clover Stroud publishes her fourth book, *The Giant on the Skyline*, about the psychic and physical hold of the landscape of home. For an intimate peek into her creative mind, sign up for her writing masterclass in Marrakech in February. Stroud will include using poetry as creative inspiration, while other tutors (such as Alexandra Pringle, former editor-in-chief of Bloomsbury Publishing) offer practical advice on finding a publisher and agent. The backdrop is Jnane Tamsna, a hotel in Marrakech's Palmerie oasis, with candlelit group dinners and trips to the 11th-century Medina. The course runs from February 25 to March 11 and costs from £3,935 per person; see silkroadslippers.com



40 holidays to take in 2024

From Arizona to Zermatt, Tom Robbins, Sophy Roberts and Claire Wrathall

present a month-by-month guide to unmissable trips for this coming year



Contemporary art in Karnataka Now a Unesco World Heritage Site, the Dravidian temple complexes of Hampi, capital of the 14th to 16th-century Hindu kingdom of Vijayanagara, have long been a reason to visit the south-west Indian state of Karnataka. From February, there will be a more contemporary imperative to visit, when Hampi Art Labs (hampiartlabs.com) opens close to the ancient sites. Founded by Sangita Jindal, chair of the JSW Foundation, the social development arm of one of India's largest conglomerates, and her daughter Tarini Jindal Handa, its campus will offer artists not just exhibition space, but studios, workshops, artist accommodation and a café. The opening show features work by, among others, Lubna Chowdhary, Rohini Devasher, Atul Dodiya, Shilpa Gupta, Bharti Kher, Annie Morris, Manu Parekh and Dayanita Singh, as well as Ai Weiwei and Andy Warhol. Greaves India (greavesindia.co.uk) offers a tailor-made nine-night itinerary, featuring Hyderabad, Hampi and Goa, from £2,515 per person.

March

Impressionism in Paris This spring marks the 150th anniversary of the exhibition that in effect launched Impressionism. In recognition of this, Paris's Musée d'Orsay, home of the world's largest collection of Impressionist paintings, is reconstructing it in *Tonight with the Impressionists, Paris 1874* a virtual reality experience that its curators hope will recreate the "visual shock" of the original. There's also an exhibition, *Paris 1874: Inventing Impressionism*, a survey, in the words of France's culture minister, Rima Abdul



From top: trekking in Nepal with Beyul Camps; the penthouse at Forestis in South Tirol; the new Grand Egyptian Museum; Alta Sanctuary's luxury treehouse in Peru; Clover Stroud's writing retreat

Right: horse riding in Andalusia. Below: the Opéra Royal at Versailles – Sophy Roberts; Xinhua/eyevine; Lezli + Rose; Olivier Houeix



Malak, "of unrivalled scope", featuring 130 works by the likes of Cézanne, Degas, Monet, Morisot, Pissarro, Renoir and Sisley, some from the original show. The exhibition runs from March 26 to July 14; see musee-orsay.fr. Doubles at JK Place, 300 metres away, from €850, jkplace.paris. The show then transfers to the National Gallery of Art, Washington (nga.gov) where it runs from September 8 to January 19 2025.

Walking and wildlife in Tanzania The Gol Mountains, rising to almost a thousand metres, sit at the remote northern edge of the Ngorongoro Conservation Area, a much more visited safari honeypot. The mountains act as a buffer zone but in the green season are just as busy with wildlife. It was in the foothills of these mountains, at the Olduvai Gorge, that Louis and Mary Leakey found evidence of the planet's earliest humans, including their 1959 discovery of the famous "Zin" *Australopithecus boisei* skull. Tanzania-based safari specialist Nomad has launched a new light-touch expeditionary mobile camp, which will be operating in the Gol Mountains in March and April. Led by expert guide Prim Mlay, you'll walk the mountains, covering up to 10 miles a day. Every night, the view changes, and if the weather is fine, you can throw off the canvas and sleep with just a net separating you from the stars. From £3,795 per person, for three nights, based on four people sharing; steppetravel.com

Damien Hirst in Provence One of the finest sculpture parks in the south of France, as well as the site of one of its loveliest hotels, Château La Coste, near Aix-en-Provence, is also home to a clutch of architecturally striking pavilions and indoor exhibition spaces – designed by the likes of Tadao Ando, Oscar Niemeyer, Renzo Piano, Richard Rogers and Jean-Michel Wilmotte. This spring, Damien Hirst becomes the first artist to take over all five, as well as parts of the grounds, with a huge retrospective entitled *The Light That Shines*, which stretches from the 1990s formaldehyde works that made him famous to his recent "Secret Gardens" series. The exhibition runs from March 2 to June 23, (chateau-la-coste.com). Doubles at Villa La Coste from €1,200 (villalacoste.com), or try the five-star Château de Fonscolombe (fonscolombe.com), 10 minutes' drive away, where doubles start at €324.

April

Riding in Andalusia In 2019, George Scott pioneered riding trips through the Sierra Morena mountains of Andalusia and parts of Extremadura, where he was raised. He reopened historic routes once walked by pilgrims and shepherds. Where there was nowhere to sleep, Scott created magical Indian-style tented encampments in romantic ruins. This April, Scott opens up another piece of history, this time picking threads that wind in and out of the silver route – the Via de la Plata – and crossing into Portugal when spring flowers carpet the hills. The ride, which starts out at Trasierra (Scott's family home), covers some 150 miles. Guests, who all need to be competent riders, will sleep in bull-rings and medieval castles. Evenings

will be filled with flamenco, traditional gastronomic delicacies, and the sound of your horses tethered nearby. The ride runs April 21-28, costing €7,000 per person; georgescottrides.com

Opera at Versailles Built for Louis XV in the grounds of Versailles, the Opéra Royal is a jewel box of a theatre, where the programme still tends to focus on the baroque. Forthcoming highlights include, on May 16, Cimarosa's rarely heard *L'Olimpiade* (not strictly an opera about the Olympics, though Paris 2024 is clearly its peg and the games are alluded to in its libretto), and Handel's *Giulio Cesare*, with Cecilia Bartoli and Andreas Scholl, on June 6. Other parts of the palace are used for performances too, not least the Hall of Mirrors, where Purcell's *Dido and Aeneas* can be heard on April 20, and the Chapelle Royale, where Bach's B Minor Mass and Mozart's Great Mass in C Minor will be performed on April 5-6 and May 26 respectively. Tickets cost between €22 and €495, see chateaufersailles-spectacles.fr. Doubles at Airelles Château de Versailles (doubles from about €290; hilton.com).

An Oman voyage Hud Hud Travels is known for its mobile camps throughout Oman, from the Selma Plateau in the eastern Hajar Mountains to the remote desert of Wahiba Sands. For 2024, it has a new itinerary: a four-night, five-day journey aboard a modernised dhow, Ibra. The vessel accommodates eight guests in four cabins and sets sail from Muscat's Al Mouj Marina, heading north-west to the Ad Dimaniyat Islands. After two days' diving, fishing, and snorkelling in this National Nature Reserve, the dhow sails to the mainland coast for two nights in the secluded waters west of Muscat. The itinerary pairs well with one of Hud Hud's inland mobile camping experiences, which are especially wild in the Dhofar region, with its rich seams of history, including the former homeland of the Queen of Sheba. Costs from \$4,126 per person (based on a private charter for eight people). See hudhudtravels.com

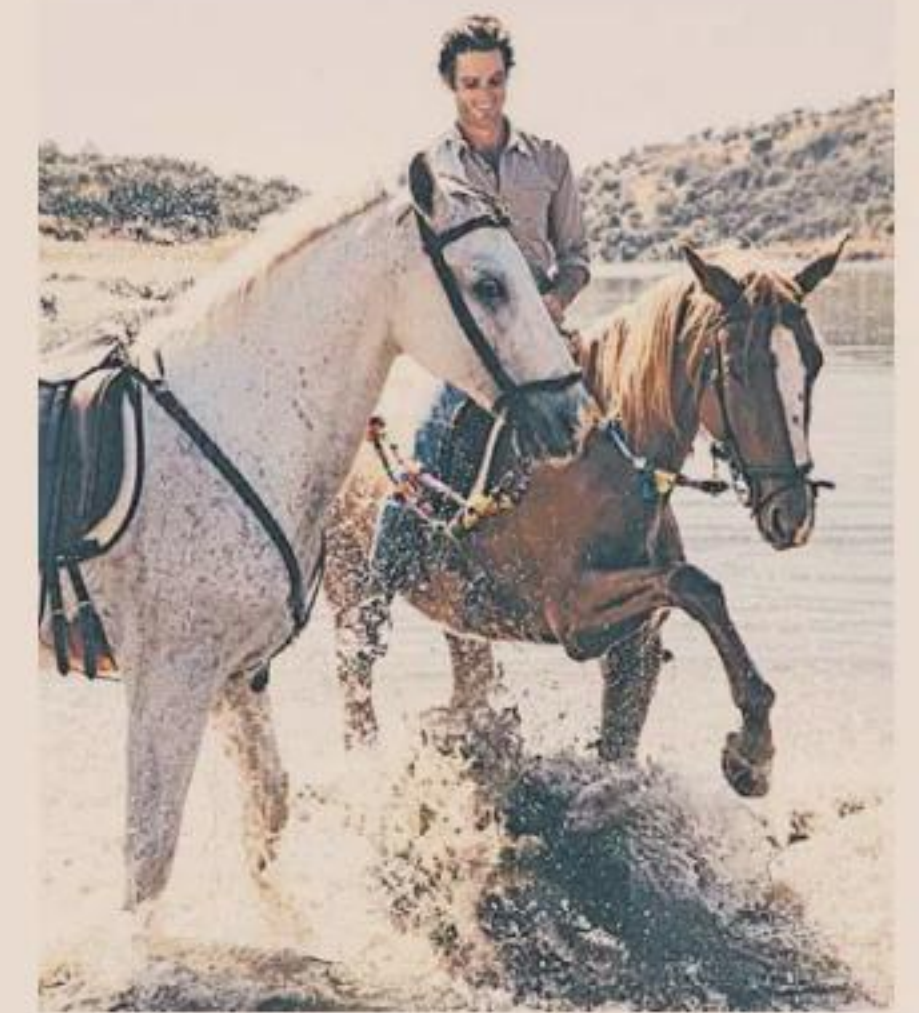
Willem de Kooning in Venice Works by the Dutch-American abstract expressionist Willem de Kooning were chosen to represent the US at the Venice Biennale on six occasions between 1950 and 1988. This year, he finally gets a major exhibition of his own, not within the Biennale itself, which celebrates its 60th edition in 2024 (April 20-November 24, labiennale.org), but at the Accademia, the city's pre-eminent gallery of old masters. Bringing together some 70 works, its focus will be to shed light on the time he spent in Italy during the 1960s, and the influence it had on his work. The exhibition runs from April 17 to September 15; gallerieaccademia.it. The newest hotel in Venice, Violino d'Oro (violinodoro.com); doubles from €658) is close by, as is the Pensione Accademia (pensioneaccademia.it); doubles from about €300).

Lambing at Penhein Glamping has lost some of its cachet in the UK recently as unscrupulous operators throw fairy lights on any mildewed old tent and claim to be offering a hygge-infused hideaway. Penhein, in contrast, is the real deal: eight tents, well spread out in woodland on a farming estate near Chepstow in south Wales, near the English border. "Tent" is a misnomer – these are beautifully designed *alachighs*,

a type of yurt used by a nomadic Iranian tribe, and come with proper beds, a wood stove and an en-suite loo. There are beautiful walks from the door, but come in the first three weeks of April and you can take part in "Lambing Live", helping the farm team in the lambing shed. Expect to feed, mark (and cuddle) lambs – and perhaps even see one being born. Four nights for a family of four cost £480, plus £35 for the lambing; penhein.co.uk

May

A new Nordic art museum in Norway Twentieth-century Nordic art may be less well known than design, but it stands to gain worldwide attention with the opening of Kunstsilo (kunstsilo.no), a major new museum that opens in the seaside resort of Kristiansand in May. Converted from a 1930s waterfront grain silo, it will house not just works from the collection of the city's former municipal gallery but also that of Nicolai Tangen, chief executive of Norges Bank Investment Management, whose



assemblage of Nordic Modernism runs to 5,500 works by 300 artists. There'll be exhibitions too, the first featuring work by Axel Salto and Edmund de Waal. The nearest hotel is a Radisson Blu (radissonhotels.com), but the UK's Tate and the Aspen Art Museum have booked groups of their patrons into Boen Gärd, a historic farm-turned-hotel half an hour's drive inland that's noted for its restaurant and salmon fishing. Rooms at Boen Gärd from Nkr1,895 (£140); see boengard.no

Spring gardens in Dorset G&T Garden Tours is a new Dorset-based outfit offering unique access to some of the loveliest gardens in south-west England – many of them private, set in the rolling hills of the Jurassic Coast with its golden cliffs. Hosted by Dorset-based writers and gardeners Jason Goodwin and Simon Tiffin, their spring group trip includes visits to the Chilcombe garden at the head of the Marshwood Vale, and a yew-and-sculpture garden belonging to British furniture maker John Makepeace in Beaminster. Expect a grand mix of owner show-grounds, good wine and convivial conversation, staying in a 17th-century manor outside Bridport. Taking place on May 14-21, it costs £4,800 per person full-board; see gtgardentours.co.uk

Trekking in Nepal In the first days of May when the rhododendrons are dropping their blood-red petals, a long walk in the eastern Himalayas can feel like you're stepping into a dream: silver-green lichens hanging from pines, yak herders moving their stock to greener

ground, bells jangling along the old trading paths which, in freer days, used to connect the valleys of Nepal's Solukhumbu with the high mountain passes into Tibet. Ang Lama, a Sherpa, is from the village of Phaplu. In 2024, he'll be launching Beyul Camps, offering treks with his well-oiled team of cooks and camping crew to the holy lake of Dudh Kunda — a glacial lake and pilgrimage site sacred to both Hindus and Buddhists, located at 4,560 metres. The five-night circuit begins and ends at Lama's family home, The Happy House, where guests can sink into yoga, massages, delicious food and local monastery visits. It costs from \$2,000 per person for six days (based on three or more travelling together); see beyul.com

Cooking in the Lofoten Islands Holmen Lofoten is a family-run hotel housed in a collection of traditional fishermen's cabins in the remote village of Sorvågen, on the shores of the Norwegian Sea. It's best known for its Kitchen on the Edge of the World programme — a chef and artisan-led experience that has attracted the likes of Sydney-based Lennox Hastie, famous for cooking with fire, and Jeremy Lee (of Quo Vadis in London's Soho). This May, it will be led for the first time by a Norwegian chef, Heidi Bjerkan, whose Trondheim restaurant, Credo, has a Michelin star. Her cooking is the focal point of a four-night programme, including cookery demonstrations, artist-led workshops, such as wood carving and paper marbling, ocean fishing trips, hiking and foraging, and of course a series of multi-course dinners cooked by Bjerkan using local ingredients. Running on May 9-13, it costs from £4,700 per person; see holmenlofoten.no

June

Landmark Trust heads to Manchester Think of a holiday with the Landmark Trust — the charity that restores historic buildings, then lets them out — and you probably picture a rural cottage or a folly on the fringes of a country estate. This year, though, the Trust is heading into the urban centre of Manchester to open a property that sits on the doorstep of Aviva Studios, home of Factory International and Manchester International Festival. Built in 1808, the Station Agent's House stood at the fulcrum of Manchester's industrial heritage, where railways and canals meet, and the heart of the world's first purpose-built, intercity passenger rail terminus. It sleeps eight and is due for completion late spring, with prices to be announced shortly. landmarktrust.org.uk

Georgia O'Keeffe in Chicago "One can't paint New York as it is, but rather as it is felt," said Georgia O'Keeffe, America's first great Modern painter. In 1925, soon after her marriage to Alfred Stieglitz, she moved into a 30th-floor apartment in the Shelton Hotel in New York, one of the city's tallest residential skyscrapers, where she lived for more than a decade, painting the views she looked down on, as well as from street level. This summer, the Art Institute of Chicago presents *Georgia O'Keeffe: My New Yorks*, the first-ever exhibition to focus on her cityscapes and how they inform the desert landscapes she painted when she moved to New Mexico. It runs from June 2 to September 22, see artic.edu. Doubles at The Langham, which occupies 13 floors of Mies van der Rohe's landmark skyscraper formerly known as the IBM Building, (and whose concierge can organise tickets and tours) cost from \$445; see langhamhotels.com

Exploring Ladakh in style Shakti Himalaya is opening a new location in Ladakh this May: the four-bedroom Thiksey House, facing a 15th-century Buddhist monastery. It's a striking addition to Shakti's collection of traditional village houses, which are restored, upgraded and staffed. Guests make a circuit of several of them, travelling either by car or on foot, or a mix of the two (a smarter version of "tea house" trekking, which originated in Nepal in the 1960s). Days begin with yoga and meditation, followed by monastery visits, picnics, biking and white-water rafting along the Zaskar and Indus rivers, and of course walking. It's a culturally sensitive, sophisticated way to experience a fascinating corner of the Himalayas which — as the price suggests — is suited to backpackers of old who no longer want to rough it. From \$6,815 per person for an eight-day trip; see shaktihimalaya.com

July

Hiking in Greenland Kangerlussuaq sits above the Arctic Circle in western Greenland — a varied landscape of tundra, glaciers and moraines. A six-day hiking expedition with Turn Wild, setting out from Kangerlussuaq to reach the Russell Glacier, takes in this fragile landscape at an intimate level. Led by international mountain leader Ian McClelland, the trek covers around 85km, with about six hours' hiking over rough terrain each day. Wildlife sightings are common, including Arctic hares, caribou and musk ox. Camps include the shores of a glacial lake, and the edge of the Russell Glacier. Expect a dramatic encounter with a changing world, which means this is also not a trip for the unprepared: a separate training weekend is mandatory. From July 14 to



Top: Koyao Island Resort, Thailand

Above from left: cooking in Norway's Lofoten Islands; e-biking in the Swiss Alps

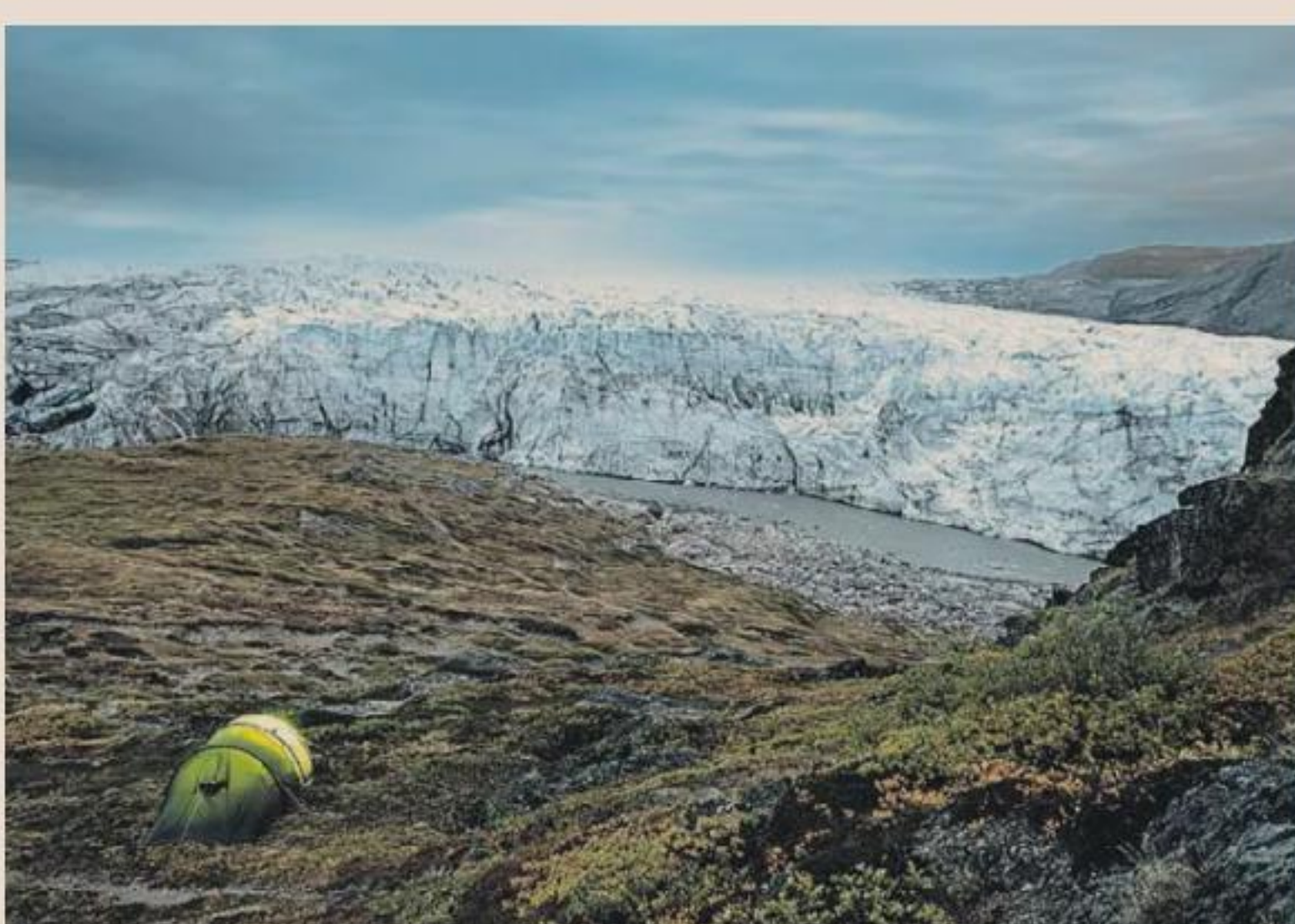
Left: a garden in Marshwood Vale, Dorset, visited on a tour in May

Below: Notre-Dame, Paris; Bóbr Valley Landscape Park in Lower Silesia; camping in Greenland — AP, Eddy Pearce; Sophy Roberts; Shutterstock

Galician road trip Heatwaves in southern Europe are prompting a shift in attention from Spain's Mediterranean beaches to its northern Costa Verde, or "green coast", in Galicia and Asturias. Original Travel has a new 13-day road trip that includes the Picos de Europa National Park, Ribadeo, the beaches and historic old town of La Coruña and three nights in Santiago de Compostela. It costs from £2,900 per person, based on two sharing, including flights from London, car hire, accommodation and guided tours; see originaltravel.co.uk

September

E-biking in the Alps September is a dreamy time to visit the Swiss Alps: the summer tourists have gone but the days



remain warm and clear. For a real sense of moving through the mountains, try a guided off-road bike tour with E-Alps, which uses electric mountain bikes to tackle multi-day routes, staying in small village hotels or mountain huts. The five-day Verbier-Zermatt Haute Route, for example, covers 198km, exploring remote valleys between the two classic resorts and including a night at 2,085 metres in a private cabin with wood-fired hot tub and sauna. With a combined ascent of 8,400 metres, you'll be glad of the electric assistance. Five days, starting September 4, from SFr2,890 (£2,656); see e-alps.com

A luxury treehouse in Peru The Peruvian Amazon covers more than half the country, and is home to some 800 bird species and 2,500 butterflies — a natural wilderness best enjoyed in the balmy days of September at the brand new, light-footprint Alta Sanctuary, which calls itself "the only luxury tree house in the Amazon Rainforest". Guests will stay 110ft above the rainforest floor, in a one-bedroom treehouse built in the branches of a strangler fig. Expect to wake eye-level with chestnut-fronted macaws, toucans, trogons, tanagers and spider monkeys. Days are spent on guided treks through the rainforest and birdwatching. It's not easy to get here — the journey includes four hours of driving on unpaved roads and a boat ride down the Las Piedras river — but, for birdwatchers especially, the undisturbed treetop canopy is paradise. Costs from \$1,450 per night all inclusive; see plansouthamerica.com

Summer's end in Corsica Everyone knows Corsica should be avoided in August, when French holidaymakers arrive en masse and relations between islanders and mainlanders can become tense. September is another matter entirely, offering both warm seas and welcomes. Among six new villas that Simpson Travel is adding to its Corsica collection in 2024 is the four-bedroom Villa Occhinello, set among granite boulders and gnarled olive trees, and with a pool overlooking the Gulf of Valinco. Beaches and mountain walks are within easy reach. From £1,114 per person, based on eight sharing the villa and including the flight from London and car hire; see simpsonstravel.com

October

Slower Silesia, Poland Designed to be "an antidote to mindless mass tourism", the Slow Cyclist was set up in 2015 offering immersive group trips to Transylvania. It's since spread to countries including Greece, Spain and Italy, and this year is launching trips in Lower Silesia in south-west Poland. On a five-day itinerary, guests cycle up to 50km through forests, meadows and gently rolling hills, stopping at castles, rural villages and vineyards. From £2,390 per person; see theslowcyclist.com

Morocco by train October is a great time to explore Morocco, with cooler temperatures, clear skies and even the possibility of the first snows on the sum-

mits of the Atlas Mountains. Original Travel's "Imperial Morocco by Train" itinerary would make a great half-term family adventure, starting in Fez, then moving on to Rabat and finally Marrakech. The seven-night trip, including flights from London, accommodation and first-class train tickets, costs from £1,910 per person; see originaltravel.co.uk

Afloat in Arizona A boating trip in the desert on the Arizona/Utah border must be one of the most bizarre holiday experiences available in the US. But at Antelope Point Marina, near Page, you can rent a houseboat and head out to explore Lake Powell, a reservoir with some 2,000 miles of shoreline surrounded by dramatic, desolate, landscapes. The houseboats are designed for big groups, and come with waterslides, barbecues and multiple sundecks. Moor up in a remote cove, spend the day swimming and watch as the setting sun turns the mountains gold, then red, then purple. Four days' rental of a 59ft houseboat sleeping 10 costs from \$5,255; see lakepowellhouseboating.com

November

Big wave watching, Portugal November marks the start of big wave season at Nazaré, Portugal — and these are among the biggest in the world, the result of an underwater canyon that runs some 140 miles out to sea and reaches three miles in depth. Professional surfers come here for competitions and in the quest to be the first to ride a 100ft wave (the record currently stands at 86ft). Watching them, and the jet-ski drivers who tow them into position, is thrilling for spectators, and the cliffs provide a natural vantage point so close you can feel the ground shake as the waves crash. Nazaré is about 90 minutes' drive from Lisbon so can easily be combined with a city break there. Stay just inland at the historic Monte-belo Mosteiro de Alcobaça (montebelohotels.com); doubles from £111), or rent a camper van for a tour along the Silver Coast (indiecampers.com); from about £40 per night).

Winter heat in Sri Lanka After years of economic crisis, many in the travel industry hope 2024 will be the year that tourism in the country bounces back, especially after the IMF's approval earlier this month of the next tranche of a \$3bn loan. A 10-night package, including five nights on the beach at the Ahu Bay resort, four at the Jetwing Kaduruketha ecolodge in the Hill Country and one at a century-old boutique hotel in Colombo's leafy Cinnamon Gardens district (plus a leopard safari, walking on the Pekoe Trail and a tour of Colombo in a vintage Land Rover), costs £4,500 per person; see experiencetravelgroup.com

Surfing West Timor Originally created in 1988 by an American surfer, the Nihi resort on the Indonesian island of Sumba has been garlanded with awards in recent years. Now it's working on a new outpost, on Rote Island in West Timor. Due to open in late 2024, Nihi Rote will have 25 thatched villas with private pools and, in keeping with the original, it sits on a beach that the company claims offers "world-class" surfing waves year-round. Rates to be set; see nihi.com

December

A family adventure in Thailand Experience Travel Group's new "jungle and secret island adventure" takes families off the beaten track, while still giving them a classic Thai beach experience. The tailor-made, two-week itinerary includes staying in a treehouse in Khao Sok, a remote lodge on Koh Phra Thong, and some laid-back beachside luxury at Koyao Island Resort, plus jungle trekking, kayaking and a snorkelling tour. Prices start at around £4,100 per person; see experiencetravelgroup.com

Notre-Dame reopens in Paris Not that anyone needs an excuse for a pre-Christmas weekend in Paris, when more than a million fairy lights illuminate the trees on the Champs-Élysées, the stores on the rue du Faubourg Saint-Honoré vie to outdo each other's decorations and the whole city feels *en fête*. But earlier this month President Emmanuel Macron announced that the cathedral of Notre-Dame would finally reopen to visitors on December 8. Closed since April 2019, when it was ravaged by fire, it won't yet be fully restored, but about €700mn of the €846mn pledged to reconstruct it will have been spent. "Deadlines will be met," the president stressed. "It's a tremendous image of hope and of a France that has rebuilt itself." See notredamedeparis.fr for updates. The three-star Hôtel Notre-Dame, designed by Christian Lacroix, faces the cathedral from Quai Saint-Michel; double rooms with a view cost from €263; see hotelnotredamedeparis.com

Winter walking in La Gomera The diminutive Canary Island offers a taste of the tropics within easy reach of European cities, and is ideal for winter walking through cloud forest, mountain gorges, banana groves and coastal trails. Pura Aventura's week-long trip includes a private tour around the small island capital, San Sebastián, and a day with a naturalist guide in Garajonay National Park, but it is otherwise self-guided, with luggage transferred between hotels. It costs from £1,500 per person, including most meals; see pura-aventura.com

THIS HOLIDAY SEASON
THE RACE NEVER STOPS



London's top new tables

Openings | Despite the challenges, it's been a great year for restaurant launches, as FT foodies reveal

Mountain 16-18 Beak Street W1F 9RD

Part from, possibly, The Devonshire, the launch of Mountain was the most insanely hyped and talked-about London 2023 opening. The amazing thing is that everything they promised was true. The food is by Welsh wunderkind Tomos Parry, with an innovative and eclectic menu, and the space is a contemporary interpretation of a sprawling, democratic brasserie. Downstairs, a more club-like vibe pertains (apparently this is where Christine Keeler met John Profumo). Whichever level you choose to display yourself to an adoring public, Mountain is the place to do it. — *Tim Hayward, food writer, FT Weekend Magazine*

Bouchon Racine Upstairs, 66 Cowcross Street EC1M 6BP

Bouchon Racine "returned" this year to an inauspicious-looking pub, the Three Compasses, in Farringdon. Previously a beloved French bistro in west London, it was perhaps less familiar to those of us who are loath to travel four postcodes for dinner. The blackboard menu contains what I am assured are its greatest hits, but ignore the cult — it's just everything you want to eat. I go as often as I can get a table (it's tiny, and annoyingly popular, but calling and asking nicely if they've a cancellation is effective). A magical new place that feels old, with good wine, and always feels like a treat. — *Janine Gibson, FT Weekend editor*

The Waterman's Arms 575 Lonsdale Road SW13 9PY

South-west Londoners would prefer The Waterman's Arms be kept a local secret. But after word spread that the riverside pub, which had been closed since last year, would reopen in September with an exciting new team behind it, it was impossible to keep a lid on it. Sam Andrews, former head chef of the Camberwell Arms and Soho's Ducksoup, heads the kitchen, with Simon Walsh running front of house. In news that will shock no one, they've spruced up the old boozier and produced a winning new offering: an elevated seasonal menu, a rotating specials board with market fish and meat, fresh pasta and a cracking Sunday lunch. Start with a cocktail (I like their Matador) or a glass of blanc de blanc with oysters, watch the sun set over the Thames and stay a while. — *Niki Blasina, deputy editor, FT Globetrotter*

Rambutan 10 Stoney Street SE1 9AD

Despite a large seating area towards the back and in the basement of this Sri Lankan restaurant in Borough Market, the best option is surely a stool at the kitchen counter near the entrance. Here you get to soak up the drama of clay-stove and charcoal-grill cooking taking place at the *aduppu*, the traditional hearth modelled on Sri Lankan-village kitchens. It's a great appetite-whetter for the food itself, which is fiery and full-bodied. Standouts include the charred red pineapple curry, black pork dry curry, chicken *pongol* and beautifully



From top: chef Tomos Parry and team at Mountain; dishes at Bouchon Racine and Chishuru — Benjamin McMahon, Simon Brown



flaky rotis. Finish with a soft serve (as if you needed to be told). — *Ajesh Patalay, food writer, HTSI*

Chishuru 3 Great Titchfield Street W1W 8AX

I recently hosted a raucous roundtable with nine chefs. They spent much of the evening moaning about how the cost of living crisis had forced this year's new openings to play it safe. With one exception, they agreed: Adejoké Bakare's west African restaurant

Chishuru in Fitzrovia. (Pedants might argue it's actually a relaunch: until October last year Bakare was operating out of Brixton Market.)

What I loved about eating here is that while the set menu is as elevated as you'd expect of a restaurant where reviewers have gushed over "modern techniques", "innovation" and "fine dining credentials", dishes are served with plantain, pickles and a huge bowl of rice for the table.

You'll leave having eaten some exquisite, fiddly dishes and you'll be full. — *Harriet Fitch Little, food & drink editor, FT Weekend magazine*

Saltine 11 Highbury Park N5 1QJ

When rumours started flying that Mat Appleton and Jess Blackstone, owners of the hugely popular Fink's cafés, were going to open a restaurant on Highbury Park, the neighbourhood went into overdrive. Saltine is that rare thing: a classy, cool local restaurant, with wonderful food at reasonable prices.

On my visit, I bumped into some fellow FT journalists on their third meal there. Against an industrial-chic backdrop, food takes centre stage. We washed down pillowy potato sourdough with shiso martinis, followed by excellent Cornish white crab, fennel and pomelo, and mains of sticky roast pork loin with celeriac and apple, and a generous fish stew. A quenelle of rich chocolate mousse was set off with the sour notes of candied kumquats. "Don't write about it," my colleague said. "Please!" — *Rebecca Rose, editor, FT Globetrotter*

Lasdun Upper Ground at the National Theatre, London SE1 9PX

Lasdun has good bones and a great pedigree. The latter is the involvement of Jon Rotheram, Tom Harris and John Ogier of The Marksman pub on Hackney Road. The bones are the Brutalist concrete walls of a restaurant space in the National Theatre on the South Bank, designed by Denys Lasdun in the 1960s. It could not be a more felicitous combination. The food is classic modern British, with that austere aesthetic that derives from St John and its descendants. Nothing could be more appropriate to the surroundings. Nothing could feel more right in a national institution. I don't just love Lasdun. As a Brit, I'm actually proud of it. — *Tim Hayward*

Carlotta 77-78 Marylebone High Street W1U 5JX

By now, diners will be familiar with the Big Mamma playbook: maximalist interiors, the finest Italian ingredients and a devil-may-care attitude towards portion control. And, indeed, everything about Carlotta, the latest London restaurant from the fast-growing group, screams bountifulness. Carlotta styles itself as a homage to Italian tradition and *la bella vita*; a sort of love child between a Sicilian trattoria and a family-run *ristorante* in New Jersey. Sit on the ground floor, where family-wedding pictures from its founders and framed Gucci silks adorn the curtained walls. Unlike its other joints, pizza is off the menu — but the array of homemade pasta dishes more than makes up for it: *paccheri all'arrabbiata*, a retro *penne alla vodka*, and a truly decadent fettuccine with truffle butter, Parmesan and fresh truffles. Gluttons for pleasure can finish with the Carlotta's Wedding Cake, served under a waterfall of vanilla cream and meringue. — *Harriet Agnew, FT asset management editor*

Zapote 70 Leonard Street EC2A 4QX

For all the splendid variety of London's restaurant scene, finding good Mexican food has long been a struggle. Enter Zapote, where Mexican classics such as lamb *barbacoa* tacos and *secreto al pastor* skewers get the small-plate treatment, backdropped by Shoreditch's industrial

chic. The restaurant, which launched in February, is the passion project of restaurateur Tony Geary and chef Yahir Gonzalez, who hails from the Mexican city of Aguascalientes. The chargrilled scallop soaked in tomato-flavoured clamato juice and chilli-garnished short rib of beef are particularly delicious. There's hope for Mexican-food lovers in the UK capital yet. — *Oliver Barnes, FT leisure industries correspondent*

Dear Jackie 20 Broadwick Street W1F 9NE

Deep beneath the Soho streets, Dear Jackie looks like a homage to both the neighbourhood's one-time status as London's Little Italy and its louche glamour; the Murano lights and red-tinted interiors just the right cocktail of glam and tarty. The walls are strewn with hand-painted plates and the diner's plates are strewn with smart but not quite radical takes on Italian cuisine; not rustic, not small plates, and intense in flavour. The wine list is extensive and expensive, service is slick and the atmosphere is determinedly after-dark. Designer Martin Brudnizki has blended a little of Ripley, a bit of boho and a lot of Soho. The pastry chef plays a part too in the homage to Soho history. The desserts are superb. — *Edwin Heathcote, FT architecture critic*

Bistro Freddie 74 Luke Street EC2A 4PY

From the team behind Spitalfields' popular Crispin café and Bar Crispin in Soho comes this new Shoreditch bistro. It's a little bit French, a little bit old-school British, and the whole place is like a great big hug. There are white tablecloths and candles dripping with wax, an extensive French wine list and a regularly changing handwritten menu created by chef Anna Sogaard (previously at the acclaimed Erst in Manchester). Kick off with egg mayonnaise with anchovy and parsley, Stilton and pear salad or the unctuous house special of snail flatbread. Follow with a classic bavette with peppercorn sauce or share a magnificently light chicken and tarragon pie. Whatever you do, don't miss the comforting desserts (think spiced apple sundae or rice pudding). — *Tim Auld, executive editor, HTSI*

To read the full list, go to ft.com/londonrestaurants2023

RIMOWA



NO ONE BUILDS A LEGACY BY STANDING STILL



The mysterious rise of the pomegranate

How did this curious fruit become a staple of everything from schnitzel to festive salads? *Joel Hart* investigates

The only time I ate pomegranate growing up was on Rosh Hashanah. It was the “new fruit”, symbolising fertility and the 613 mitzvot of the Torah. I greeted its unfamiliar form with a sense of wonder: how did it mystically arrive on my table at this one time of the year?

I can't remember exactly when that wonder started to dissipate. Perhaps it was when pomegranates became a staple of Christmas cooking: Nigella Lawson's “Christmas salad” with radicchio and chicory; Yotam Ottolenghi's pomegranate and Brussels sprouts slaw. Or when I started encountering the seeds sprinkled on poached eggs, smoked salmon, brisket and schnitzel.

They've even entered the Ashkenazi kitchen, a place I'd thought doomed to a life in seipia. Now, my mother contributes to the UK's position as the world's seventh largest importer of the fruit by sprinkling its seeds on everything. It has been booted from our Rosh Hashanah table. In its place, the still genuinely exotic dragon fruit.

When did the beady eyes of the pomegranate start surveilling us from every plate? A look into Jamie Oliver's usage over the years gives us a rough indicator. In 2012, the UK's ultimate celebrity chef offered a recipe for a Christmas cocktail that replaces orange juice with freshly squeezed pomegranate. It must be made with fresh fruit rather than bottled juice, he insisted, its magenta hue making it fit for the season. It was still, in

‘I would never give up a loved food, especially pomegranates, just because it's been overexposed’

a word, special. Fast forward to last year, when Oliver promoted a dish of “Super Green Falafel” on his Channel 4 show *Friday Night Feast*. The recipe is guilty of multiple cardinal sins. Peanut butter and olive oil in hummus! Griddled falafel with frozen peas! Pomegranates finish the dish, which is “like a painter's palette, full of colour”, Oliver tells the camera. This seems to be the current place of the pomegranate: superfluous and sometimes nonsensical decoration.

The transition is summed up by an entry in the *New Food and Wine Dictionary* published in *Noble Rot* magazine in 2017. “Pomegratuitous (adj.),” wrote Diana Henry. “A dish or meal that has every single Middle Eastern cliché in it, and for no good reason whatsoever.”

I chuckled reading Henry's words, but I didn't think much more of it. Pomegranates are an important part of Middle Eastern cooking. As that cuisine gained prominence in the UK, so too did pomegranates. Simple, right? But then I spotted something. I was reading an old collection of essays by the food writer AA Gill and came across a 1998 piece on pomegranates for *Tatler*. “Recipes for them are few and far between,” he wrote. “I've just been leafing through my cookery books and the Greek and Middle Eastern ones often leave them out altogether. Perhaps they've always just been a symbol of sex.”

This couldn't be right. Pomegranates were always authentic to somewhere, surely, just not the halloumi burgers and guacamole where we now find them.

Intrigued, I ordered a cookbook where I was certain pomegranates would make an appearance: Elizabeth David's 1950 *A Book of Mediterranean Food*, responsible for radically brightening an austere, humdrum food culture defined by wartime rationing, bringing a new focus on lemons and olive oil into British kitchens. There was but one mention of our pearlescent friends, in a recipe quaintly entitled “a dish of pomegranates”. “Take all the inside from six pomegranates and mash them into a silver bowl,” David writes. “Sprinkle with rose-water, lemon juice, and sugar and served.”

I cast around for more answers. What about Claudia Roden, whose 1968 *Book of Middle Eastern Food* was seminal in bringing the flavours of the Eastern



see, do not come off so my mum was averting inevitable damage. We had so much fun.”

Both centred pomegranates in lucid, sensual childhood memories of home rather than recipes. So pomegranates didn't become popular merely as a core ingredient in a certain type of cooking – the way you can now easily find fish sauce for Thai food. They became popular in part because of the personal memories of two boys in Jerusalem.

Then there's the way they look. Roden told me that she now sometimes uses pomegranates to “glamorise a salad or buffet dish”. Speaking over the phone, Syrian-Lebanese food writer Anissa Helou agreed: “The first thing is the aesthetics.” Before they were ubiquitous, she said, “they were very precious because they looked like rubies or mother of pearl.”

She laughed when I told her about all the wild places I've stumbled across pomegranates in recent years. But she said she felt another part of the story of the late 1990s and 2000s may have been missed. According to Helou, whose first cookbook was published in 1995, “the proliferation of Lebanese restaurants and the Ottolenghi Effect went hand in hand.”

I went into these conversations convinced that the popularity of pomegranates indicated a superficial engagement with ingredients, something the literary theorist Stanley Fish called “boutique multiculturalism”. But now I'm not so sure. The chefs I spoke to generally felt pride rather than dismay about their popularity. And there was something infectious about how they swooned over them.

From Roden and Helou through to Tamimi and Ottolenghi, the second wave of Mediterraneanism was immigrant-led. If British food culture feels more pliable today, we have them to thank for it.

There is one chef who encapsulates this vividly. Ravinder Bhogal, proprietor of Jikoni (and an FT contributor), really loves the fruit. “I'm obsessed with pomegranates,” she tells me over lunch at her restaurant. “They've always forever been a part of my kitchen because I grew up with them.”

During our lunch, I got to experience it in the brilliant soy keema bun, in which ground anardana (dried pomegranate seeds) is used to cut through the meaty, aromatic, minced soy. They've also recently been used on a dish of smoked pomegranate quail with watermelon, feta, freekeh and pistachios, with the seeds appearing on her chaat dishes, as is typical in all Indian subcontinent cooking.

Bhogal pointed me to a poem entitled “How to cut a pomegranate” by Imtiaz Dharker, which ends with the line, “The pomegranate reminded me that somewhere I had another home.”

“Being an immigrant myself, it really moved me,” Bhogal told me. “I'd left this very lush tropical background, and suddenly found myself in a very dark November in England, in this very urban, haggard landscape. And pomegranates were like light. When you hold a pomegranate, it's a portal to something familiar and something you've left behind.”

At home, I cut a pomegranate in four, breaking through the crown-like calyx, and as each resplendently formed seed pops out of its fragrant, tenderly, the answer to my main question – why the pomegranate? – becomes clearer. It was inevitable, really.

Although I can't promise to remember their majestic powers next time I see them looking pitiful on a Sainsbury's salad.



Pomegranates depicted in art through the centuries

Top right: a botanical plate by Pierre Jean François Turpin from c1900

Above: illustration from a medieval handbook on health by the Arab physician Ibn Butlan

Right: still life of pomegranates and lemons by the 19th-century artist Magnus Otto Sphus Petersen – Alamy/Getty Images

Mediterranean to a British audience? They do appear in a section on special flavourings and aromatics: “The juicy, shiny pink seeds of the fresh fruit are sprinkled on salads and on tahina sauce for fish. Cut the fruit in half, scoop out the seeds and discard the bitter-tasting pith.” The seeds usually appear in the book's recipes as an optional addition or variation. Pomegranate molasses appears in specific dishes and as a variant seasoning suggestion, usually to replace lemon juice.

I first began to formulate my thoughts on pomegratuity during an academic conference on “New Culinary Landscapes in Turkey and the Levant” at Birkbeck university in London in May, where Roden, to my surprise, was an audience member. After the conference, we continued to converse over email. “Back then we always used [pomegranates] to celebrate the Jewish New Year,” she told me. “I did not put them in recipes because they were so difficult to find.”

Did people in other countries use them at the time? “I had seen them in Lebanon and Turkey,” she said. In Turkey, as Musa Dağdeviren's *The Turkish Cookbook* outlines, the seeds have historically been used in some salad

dishes and in festive dishes like Güllaç, a rice paper and nut dessert eaten on Ramadan in Istanbul. In the Lebanese kitchen, they've commonly been used instead of paprika or Aleppo pepper to garnish babaganoush, but not on tabbouleh or fattoush – which is where they are often now found.

I asked Roden when pomegranates first became popular in UK cooking. Her answer was simple. “Pomegranates started being used extensively when people began to use Yotam Ottolenghi's recipes.”

In 2002, Ottolenghi, Sami Tamimi and Noam Bar established a small deli in Notting Hill. It would go on to transform a British culinary landscape dominated by the (still popular) nose-to-tail version of modern British food championed by Fergus Henderson at St John, which does not look to the sunrises of the Mediterranean for inspiration, but rather to the moodier, richer, more earthy flavours of our own isles. Ottolenghi was different: magnificent window displays of pâtisserie, and a countertop lit with trays of radiant salads topped with tahini, spiced yoghurt, flaked almonds, fresh herbs and, yes, pomegranate seeds.

Few could have imagined how far-reaching its impact would be. We now want sourness in our cooking, and acid from a variety of sauces, sources and origins. We want kaleidoscopically pretty plates. In a cookbook published in 2005, three years after the first Ottolenghi opening, Roden recalls shifting gear. “In *Arabesque*, I used fresh pomegranate seeds in several recipes because they were more available,” she told me.

So: pomegranates became more popular in the UK as Middle Eastern food did. They proliferated in recipe books as they became more available. But the strange thing about Ottolenghi's part in this story is that pomegranates are not as widespread in the Levant as other regions of the world. Iran, Afghanistan, the Caucasus and even northern India may lay claim to more ways of using the fruit in the kitchen.

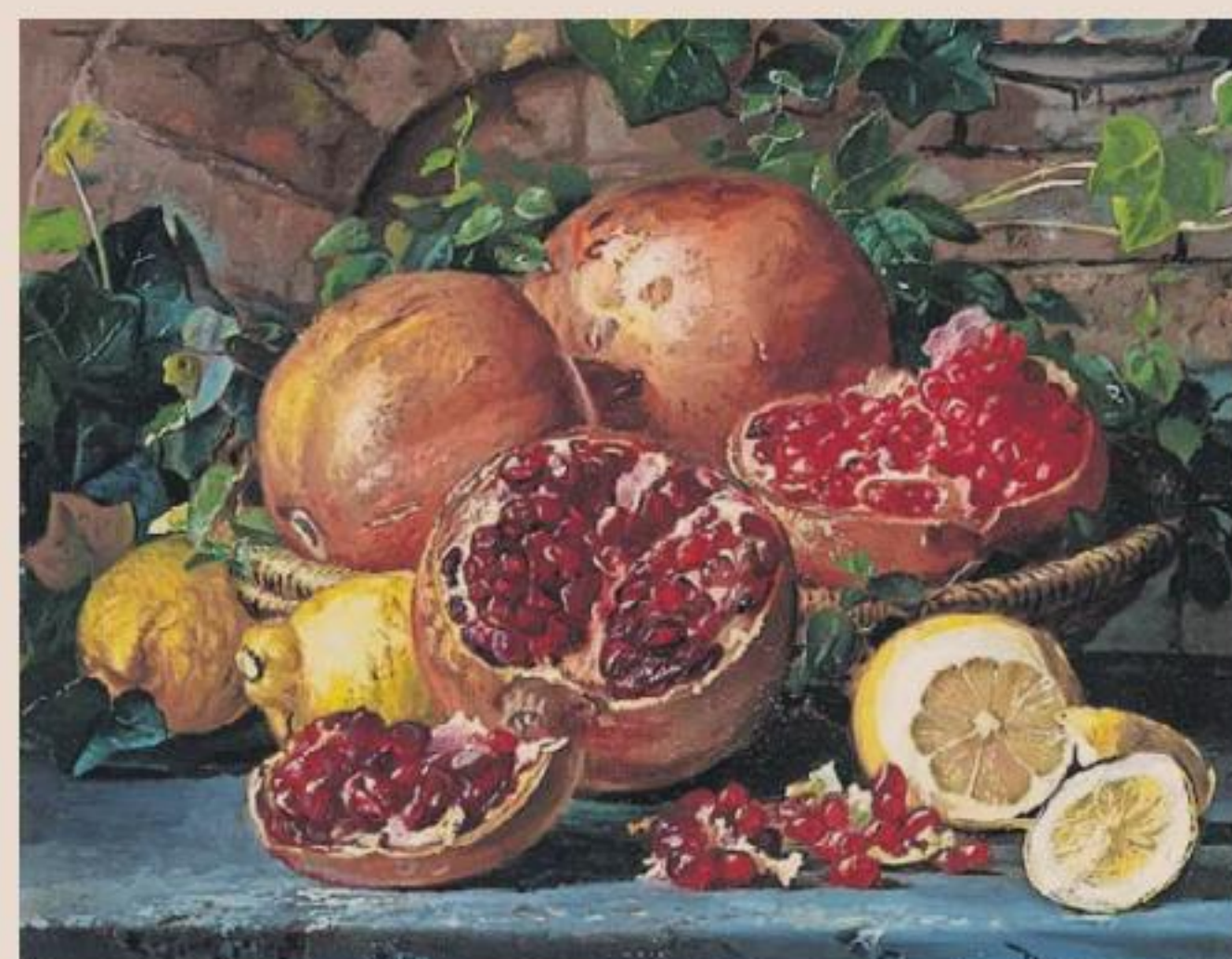
I reached out to Ottolenghi and Tamimi. They were happy to answer my questions over email, but I sensed a certain standoffishness on the topic. “Pomegranate seeds have turned into a cliché, which happens to almost anything that's popularised through social media and mass advertising,” wrote Ottolenghi.

“But I would never give up a loved food – especially pomegranates – just because it's been overexposed. It's not my problem.”

But why pomegranates? The story they told me was surprising. As boys, they grew up living parallel lives in the divided city of Jerusalem. Both of them recall the peculiarly vivid place pomegranates had in their childhood. In East Jerusalem and other parts of Palestine, Tamimi wrote, “As kids we used to pick the fruit and snack on the sweet or sour seeds.”

Meanwhile, living on the other side of the city, Ottolenghi remembered how, “My mum would buy pomegranates in Machaneh Yehudah market and bring them home. My brother and I, aged five and seven, would get one each and then be banished to the garden, stripped down to our underwear, to break them down and eat the seeds. The stains, you

‘The first thing is the aesthetics . . . they were very precious because they looked like rubies or mother of pearl’



Arts

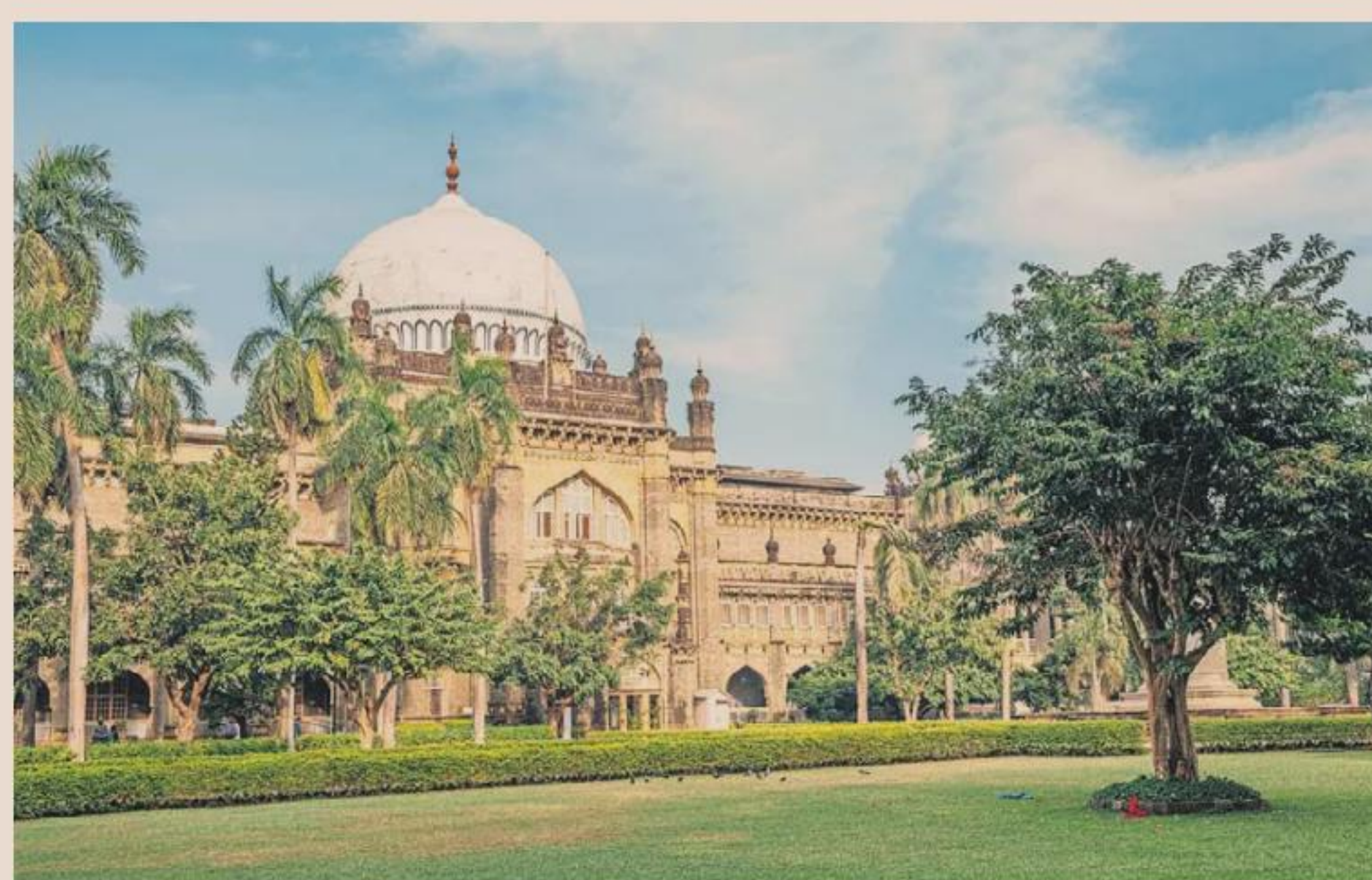
Life&Arts



One of the displays at 'Ancient Sculptures: India Egypt Assyria Greece Rome' at the CSMVS in Mumbai

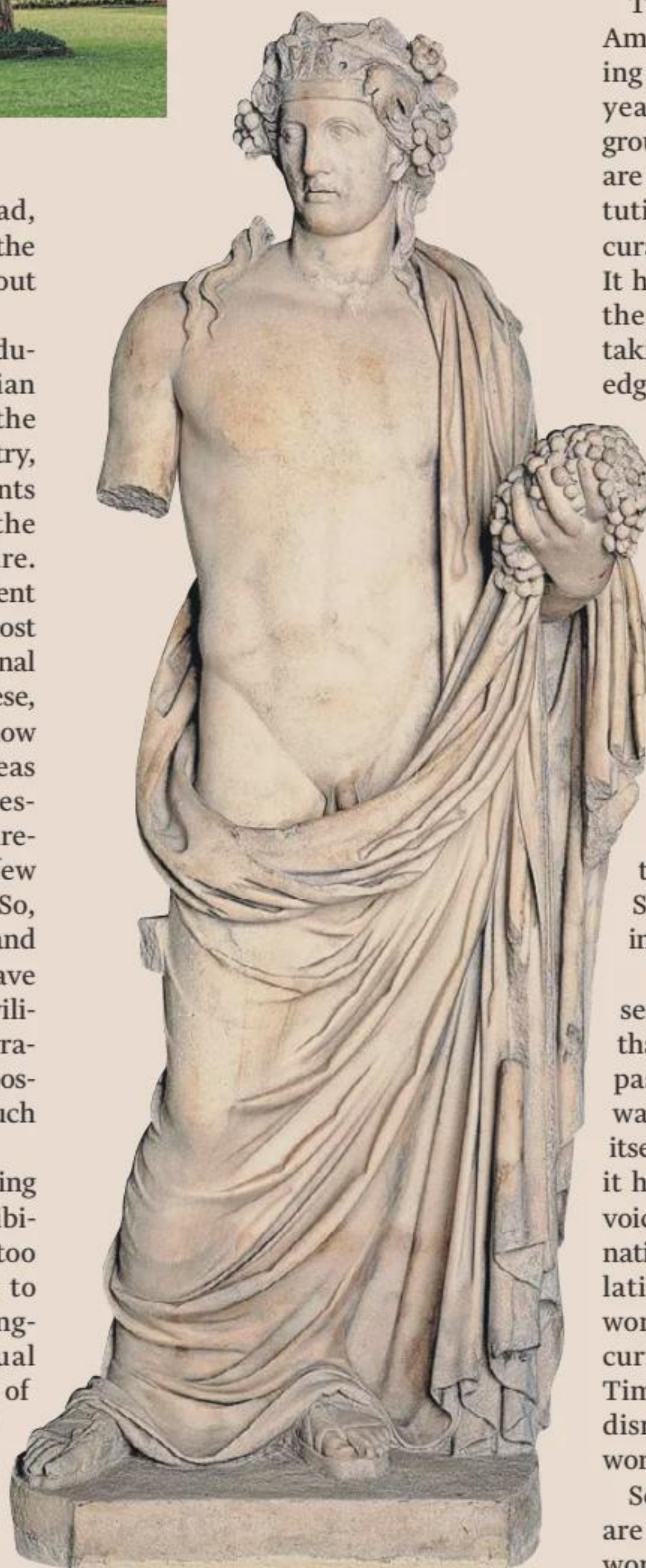
India's treasures take their place in world history

CSMVS | The Mumbai museum's gathering of sculptures from the west will help rewrite the story of antiquity – and India's part in it, writes *Neil MacGregor*



Left: the exterior of the CSMVS (Chhatrapati Shivaji Maharaj Vastu Sangrahalaya) in Mumbai, India

Below: a marble statue of the wine-god Dionysus from the British Museum



The domed entrance hall of the great museum in Mumbai, the Chhatrapati Shivaji Maharaj Vastu Sangrahalaya (CSMVS), is an exhilarating anthology of India's architectural styles – Buddhist, Hindu and Islamic, combined with just a dash of British railway gothic. Built around 1910, it sums up in stone much of the history of South Asia.

Normally it leads the visitor swiftly into the neighbouring gallery of Indian sculpture. But for most of next year, it will have a different role. It now houses fragments of two of the seven wonders of the ancient world, and statues of gods from Egypt, Greece and Rome, selected by CSMVS curators from the collections of the Getty Museum, the Staatliche Museen zu Berlin and the British Museum. They will be on show there until the end of October 2024. Entitled *Ancient Sculptures: India Egypt Assyria Greece Rome*, it is the first long-term display of great sculpture from the ancient Mediterranean ever to be seen in India – and the first stage of a pioneering exercise in global co-curation.

The statues of Aphrodite, Dionysus, Apollo and their companions are the outriders for a long-term partnership between the CSMVS and the three lending institutions, a joint venture in sharing collections and knowledge, all

Most histories of antiquity have been written by people all in some measure the children of Greece and Rome

funded by the Getty Trust. (I have been an adviser to the Getty Trust on this project from the beginning.) In 2025 this partnership of museums, again funded by Getty, will bring to Mumbai, this time for three years, more than 100 objects representing the ancient world from Central America to Japan. For all involved, it is a new way of working together.

The sculptures and vases from Berlin, London and Los Angeles now gathered in Mumbai tell a wide range of stories. But they have been chosen by the Indian curators with one common purpose: to allow visitors, and especially students, not just to admire and enjoy great works of art, but to think afresh about the complex links between India and the rest of the world over more than 3,000 years.

They are key players in an attempt to write a new history of antiquity – and the part India played in it. The conquering armies of Alexander stopped at the Indus. So too do many European museums. In the Louvre, for example, the Mediterranean collections extend to include ancient Persia – the world known to the Bible and the classics. The India that traded extensively with Rome, whose pepper was prized all over the empire, is in a separate building in another part of Paris. Not part of our story.

We need a new, more comprehensive, history. India is now the most populous country on Earth, playing an ever larger part on the global stage. One in four of its 1.4bn inhabitants is under 15. How do these young Indians, many of whom will

not be able to afford to travel abroad, think about their country's place in the world across the millennia, and about what it means today to be Indian?

As school children and undergraduates, they study – of course – Indian civilisation from the stone age to the present day. In every part of the country, they are surrounded by monuments and works of art which embody the great achievements of their culture. They also study the other great ancient civilisations. But they have for the most part no opportunity to see in the original any of the artefacts – Egyptian, Chinese, Greek, Roman – which might show how those other cultures gave their ideas physical form and aesthetic expression. India's museums are rich treasure-houses, but they have relatively few objects from outside South Asia. So, unlike their counterparts in Europe and North America, Indian students have little chance to see how their own civilisation takes its place in the wider narrative of humanity, and it is almost impossible for them to understand how much India has given to the world.

The sculptures in Mumbai are seeking to change that. Normally, loan exhibitions run for a brief three months, too short for schools or universities to embark on any sustained teaching-based on encounters with actual objects. The much longer timescale of these loans will allow new kinds of learning and teaching, from primary school to graduate level – in Mumbai, in the state of Maharashtra and across India. The CSMVS

is uniquely well placed to do this, for under its director-general, Sabyasachi Mukherjee, it has built an outstanding record of achievement in education, working with schools in even the poorest parts of the city and the state of Maharashtra, and become admired nationwide.

Discussions with a group of universities from across India are under way on an even more ambitious project, to be developed in association with Cambridge university's Global Humanities Programme. The exceptional length of the loans makes it possible for universities to devise a bespoke curriculum, mixing virtual teaching with museum visits, specifically designed to take advantage of the presence of the objects. Lectures and seminars will be given by both Indian and international scholars: among these, there will be, crucially, specialists from the source countries – offering a rare range of perspectives and new understandings.

The museums of Europe, North America and India have been exchanging temporary exhibitions for many years. But this project breaks new ground. Unlike most exhibitions, which are devised and organised by one institution, this has been conceived and curated by the four partners together. It has been planned exclusively from the point of view of Indian visitors, taking as its starting point the knowledge and experience, the expectations and questions that they will bring to the encounter.

Most histories of antiquity have been written by Europeans and North Americans, all in some measure the children of Greece and Rome. The current display, on the other hand, is the ancient world seen and interrogated not from the Mediterranean but from India: the sculptures in the Rotunda confront the quizzical gaze of the Buddha, a Jain spiritual teacher and a three-faced head of Shiva, all looking on from the adjoining gallery.

This exhibition takes its place in a series of ever more ambitious shows that the CSMVS has organised over the past 10 years aimed at widening the ways in which India can understand itself. In an often shrill political debate, it has been a quiet but authoritative voice, insisting on the complexity of the national narrative, and its steady articulation of India's proper place in the world has been widely applauded. The current exhibition was hailed by the Times of India as a significant step in dismantling the western narrative of world history.

Some aspects of the visiting statues are immediately familiar. Used to the worship of Ganga, goddess of the Gan-

ges, most Indian people grasp at once the role of a god of the annual flooding of the Nile. The toned torso of Apollo and the teasing figure of Aphrodite are the bodies that advertisements urge all young Indians to emulate through the gym and the beauty salon. But much is strange, and curators in Los Angeles, London and Berlin have found themselves puzzling over questions that their own visitors rarely or never ask.

Did the waters of the Nile, for example, like those of the Ganges, provide spiritual renewal for ancient Egyptians, as well as food? Why are Egyptian gods so static, so unenergetic compared with Indian deities? Why do Greek gods need to wear sandals? Why do they so often look away from their devotees, refusing the eye-contact that Indians expect to establish with their gods? How would anybody know that the statue of a naked man or woman, with no extra limbs or royal jewellery, must represent a god? In the frieze from the Mausoleum at Halicarnassus, why are naked Greeks fighting – and brutally defeating – the Amazon women? Is the perfect Greek body achieved in order to fight the outsider?

Obvious questions for any Indian, used to living among statues of the gods; energising considerations for the partner curatorial teams. In my role as an adviser on this project, I can vouch that

It is a totally different, entirely Indian, way of imagining the relationship between gods and humans

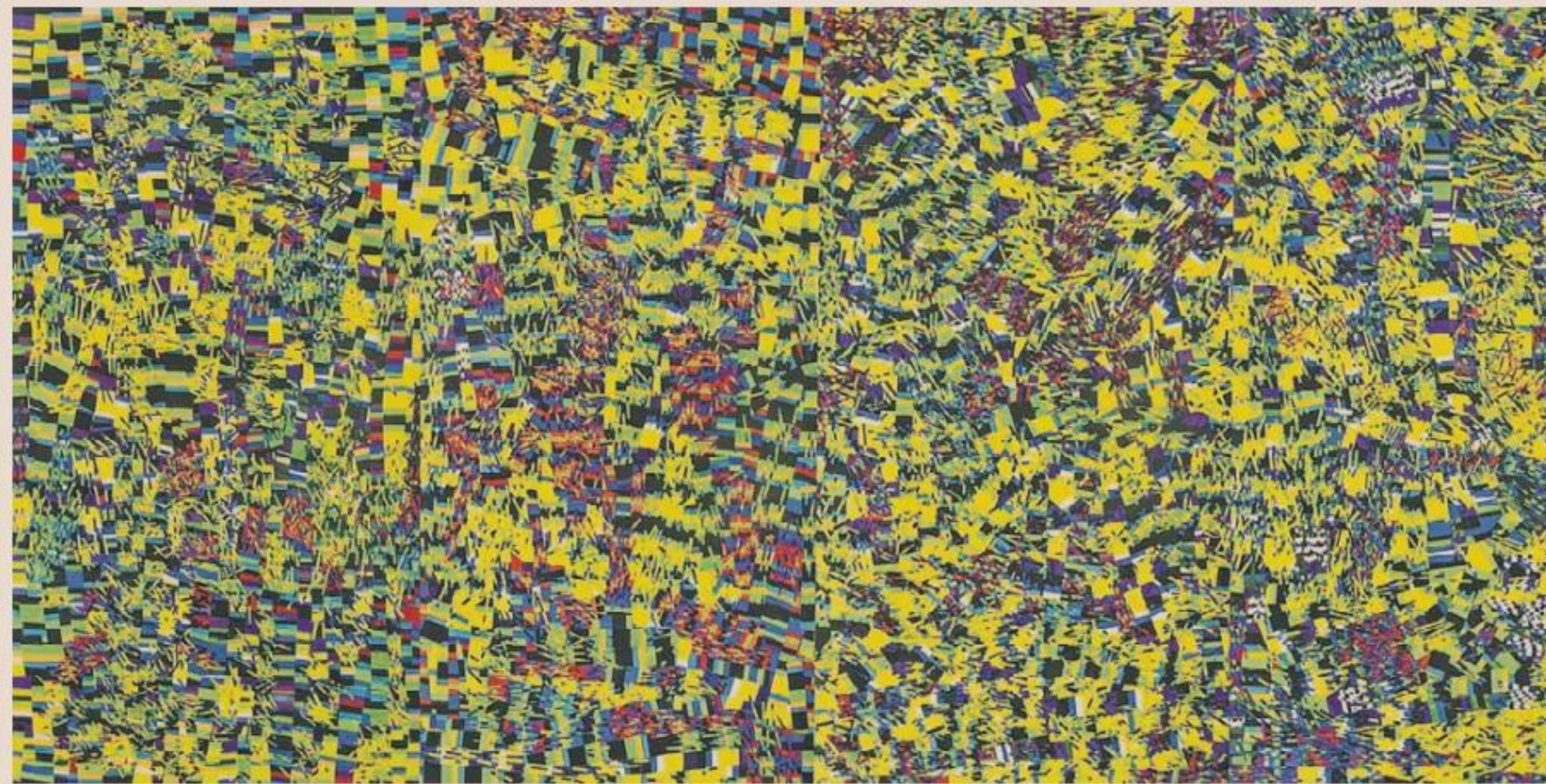
for all involved, this shift of focus, asking new questions of familiar objects, has been stimulating and enriching. In this project, more than any I have known, we have begun to measure and exploit the full potential of global co-curation – the understanding that objects in different places take on new meanings, provoke unexpected conversations and require fresh scholarship and new narratives. Everybody involved now hopes to build further on this beginning. Can this partnership be a model for others between the museums of Europe and North America and those in the rest of the world?

In the centre of the deities of Egypt and the gods of the ancient Greek and Roman worlds stands, appropriately, the monumental sandstone image sculpted around 1,000 years ago of Varaha, the boar incarnation of the god Vishnu rescuing the world from the mire of its own shortcomings. On his snout is carved an image of Saraswati, the Hindu goddess of knowledge and learning; the saving of the Earth is inseparable from the wisdom she embodies. And unlike her ancient sisters, Athena or Minerva, she is not armed for combat.

It is a totally different, entirely Indian, way of imagining the divine and the relationship between gods and humans, a powerful evocation of that hopeful moment when the whole Earth is given the chance of a new beginning. And a good image with which to start the new year.



Treasures on display at the CSMVS exhibition – CSMVS



From left: 'Implosion', an immersive video version of Marta Minujin's 2021 soft sculptures; 'Soliloquy of Mixed Emotions' (2011); 'The Parthenon of Books', covered in banned books, on display in Buenos Aires, 1983 — Frederick Charles

Sex, drugs and psychedelic phone booths

Marta Minujin | The artist's subversive, spectacular work mixes pleasure and politics at the Jewish Museum in New York. By Ariella Budick

When 20-year-old Marta Minujin, fresh from Buenos Aires and already plugged into the avant-garde of 1960s Paris, dumped the contents of her studio into a dead-end street in Montparnasse and set them aflame, the blaze caught the art world's attention. She followed that up with six decades of a practice that is by turns spectacular, incendiary, entertaining, witty and raunchy — qualities largely absent from an earnest survey at the Jewish Museum in New York. Despite its detail and breadth, and the doggedness with which it documents long-ago, you-had-to-be-there events, the show is to Minujin's artistic trajectory what a private detective's snapshot is to a love affair: distancing, deceptive and unarousing.

The exhibition is best seen as an illustrated encyclopedia entry on an idiosyncratic career. Minujin travelled frequently (and, in her eighties, still does), bouncing in and out of her native Argentina as her desires and the political situation allowed. She befriended Niki de Saint-Phalle, Charlotte Moorman, Andy Warhol and Robert Rauschenberg, flitting from scene to scene, drug to drug and Pop Art to hippiedom. Over time, she evolved a persona and a wardrobe of psychedelic jumpsuits that have become inseparable from her art, building a social media following and maturing into the role of impish sage of Argentine art. She spent the months of Covid-imposed isolation producing paintings and collages that were simultaneously laborious and effusive. This is an artist who works hard at joy.

Early on, she chose the bed as her medium of choice, not in the sense that Madame de Pompadour did, but more in the manner of Rauschenberg's 1955 "Bed". She found discarded mattresses, dragged them home, disinfected them, cut them up and painted them in gloriously gaudy stripes. One example, a fuchsia-based number from 1964, is on display as a stand-in for a whole period of these soft sculptures.

Her real passion, though, wasn't objects but experiences, usually delivered in the form of elaborately staged performances. In 1965, more than 30,000 people filed through a 16-room labyrinth called "La Menesunda", which in the Lunfardo argot of Buenos Aires means "mayhem". Inside, viewers found a couple sprawled contentedly in



'For Making Love Inconspicuously', a 2010 soft sculpture



Above: Marta Minujin in Paris, 1963; the 'Kidnapping' at MoMA in 1973, in which Minujin and co-conspirators abducted some of the audience

bed. They then proceeded through a disturbingly pink "intestine room", walked along a mushy-floored, sponge-walled hallway to a nightmare-black vestibule and had to guess the combination on a keypad to earn their release. "La Menesunda" was wild, unprecedented and vaguely subversive — especially in the buttoned-up, officially sanctioned cultural environment of Argentina.

The most frustrating aspect of the current show is documentary evidence



When democracy finally arrived, she built a Parthenon out of scaffolding and clad it in books that the junta had banned

of fun you didn't have, like Instagram posts of a friend's vacation. A photo of Minujin standing in a phone booth can't do justice to the goofy thrill of the original "Minu-Phone". In that installation at the Howard Wise Gallery in New York, viewers stepped into a standard-issue glass-walled box of the kind that used to adorn street corners in Midtown and picked up the handset. Instead of putting through a call, they were suddenly bathed in coloured lights and theatre smoke. The idea was to mimic the effect of dropping acid; I'm sceptical about how convincingly it accomplished that illusion.

In 1973, by then a minor celebrity, she staged "Kidnapping" at MoMA, in which she and a team of co-conspirators in Picasso-themed face paint stormed the audience and abducted some of its members. No viewers were harmed in the making of that piece. The programme warned: "Volunteers will be spirited away," and many of them

went up being transported to Max's Kansas City bar for drinks.

The event, preserved in black-and-white photographs that look like stills from either a zombie movie or a fashion show, anticipated the abductions that were a part of the junta's toolkit of oppression between 1976 and 1983. But at least in midtown Manhattan, Minujin made the practice seem kind of groovy. That disconcerting mix of politics and playfulness remained her trademark for years, even as the situation grew more dire.

She made one of her periodic returns to Buenos Aires in 1975, just ahead of the golpe (the coup which overthrew President Isabel Perón) and the "Dirty War". The ensuing years of repression somehow left her a surprising amount of room to manoeuvre. In the mid-1960s, she and her friends had already slashed the city's monumental obelisk in ice cream and lasciviously licked it off. In 1979, she built a replica, padded it in

pan dulce — sweet rolls — and, after 10 days, toppled it so that the people could tear off stale chunks and take them home. The authorities might conceivably have objected to the mock demolition of a symbol of Argentina, but perhaps they saw something comfortingly Marie-Antoinettish in Minujin's way of letting her beleaguered fellow Porteños eat cake.

Her ambitions grew ever more colossal. When democracy finally arrived, she built a Parthenon out of scaffolding and clad it in books that the junta had banned. (In the exhibition, photos and video of the original piece are accompanied by more recent volumes that self-appointed guardians of public morals have banished from school libraries in some US states.)

She had less success in her attempt to encrust the Statue of Liberty in uncooked McDonald's hamburger patties. She envisioned broiling the meat with massive flame-throwers and then popping the burgers into buns to be handed out to the crowds. I would have loved to sit in on the meeting of McDonald's executives discussing her proposal, starting with the public health considerations involved in distributing meat that would presumably have been either raw or scorched, or both at once.

Later, she returned to her first love: mattresses. She shredded, painted and lacquered them, or covered them with strips of brilliant vinyl. "Intertwined Concepts" is a recent reinterpretation of the walk-in mattress installations she was making in the 1960s. Now, though, such pieces have been demoted from the sensual to the vicarious. The wall text reads: "While this sculpture cannot be entered or interacted with as those works could, its multiple lips and winding phalluses still suggest erotic play."

That's the way of most art, once it enters the contemporary museum: best practices of conservation take precedence over physical experience. As a consolation prize, we get "Implosion" — a purportedly immersive but actually chilly multi-projector video version of her soft sculptures from 2021.

Minujin designed much of her work to be ephemeral, but her career has had remarkable staying power, especially back home. (In the US, her long-dormant reputation got a boost from a 2019 recreation of "La Menesunda" at the New Museum; that work is now on a world tour.) Like many in her cohort of fame-seeking rebels, she has had changing and contradictory feelings about museums, which represent both the hated establishment and the possibility of transcending it.

"That's what museums are for," she told an interviewer recently, "to allow people to experience an instant and pass to the other side of Planet Earth to find another world." No such teleporting takes place here, though perhaps it might have, if only a stronger shot of Minujin's sexy irreverence and mystical grandiosity had made it into the galleries.

To March 31, thejewishmuseum.org

THE LIFE OF A SONG

NEW YORK, NEW YORK

Everyone thinks he's Frank Sinatra," sniped Liza Minnelli in an episode of the cult TV meta-comedy *Arrested Development*, as the opening strains of "New York, New York" gurgled from the pipes of Tobias Fünke in a karaoke bar. Two decades on, her words ring truer than ever: Sinatra's version of the song has become a karaoke staple and a New Year's Eve favourite, soundtracking life's highs and lows — from the Covid pandemic to the run-out at Rotherham United Football Club (the South Yorkshire team play at the New York Stadium).

Its story began in 1977, when director Martin Scorsese recruited songwriters John Kander and Fred Ebb to compose a theme song for his film *New York, New York*: a sort of postwar *A Star Is Born*, starring Minnelli and Robert De Niro as a cantankerous couple chasing musical and movie stardom.

Kander and Ebb were riding high on the success of *Chicago* and *Cabaret*, but De Niro found their first version of the song "lightweight". They were stung by the criticism; as Kander told *Entertainment Weekly* in 2022, "We took a cab back to Fred's apartment, and in 45 minutes, we wrote another song called 'New York, New York', which is the one that you know. It has a lot of anger in it because we were really pissed off..." The film struggled, and Minnelli's version from the soundtrack enjoyed only middling success. Then Sinatra seized on it for his career comeback.

Sinatra, who had peered wistfully across at the city lights during his childhood in Hoboken, New Jersey,

sensed the appeal of the song for his Radio City Music Hall concerts in 1978. As he turned 64, his magisterial reworking — which featured on the triple album *Trilogy: Past Present Future* — became a beloved sign-off for his concerts and, in turn, a closer for less illustrious parties.

"New York, New York" represents a lost golden age of gentlemanly hustling. Sinatra's thesis that "If I can make it there, I'll make it anywhere" captured the spirit of an age, offering a paean to urban self-reliance. Its influence echoes in the 2009 Jay-Z hit "Empire State of Mind", where the rapper proclaims: "I'm the new Sinatra..."

By the time Sinatra re-recorded it with fellow jazz doyen Tony Bennett for the 1993 album *Duets*, the less tuneful but highly enthusiastic voices of the New York Yankees baseball team's home crowd had adopted it as a post-game anthem. Other local sports teams, including the Knicks (basketball) and the Rangers (ice hockey), have helped make the track

Frank Sinatra's version of the song has become a staple of New Year's Eve

David Redfern



synonymous with the city. Now a seasonal broadcast staple, since 2001 it has been played as part of the Times Square New Year celebrations.

For all its dignified millennial rejiggings — extending to a 2006 cover by Michael Bolton, for his tribute album *Bolton Swings Sinatra* — "New York, New York" has been ripe for parody. In the 2005 children's animated hit film *Madagascar*, which pastiches swaths of the New York canon, from *Saturday Night Live* to *Planet of the Apes*, Central Park Zoo lion Alex (Ben Stiller) performs it during a cannibalistic mental breakdown. And in the 2006 family comedy *The Santa Clause 5*, fellow New Yorker Martin Short

delivers a festive rendition, "North Pole, North Pole".

The song's blend of stubborn, Trumpy bombast and endearing self-abasement has kept it relevant through successive crises. Following the September 11 attacks, it featured on a list of songs deemed "questionable" by American radio station owner Clear Channel, due to a general skittishness around New York-related numbers, but it centred in Spike Lee's *NYC Epicenters 9/11-2021*½, a documentary released for the attacks' 20th anniversary.

Sinatra's homage to the "city that never sleeps" and all its infinite possibilities also resonated during the pandemic, sung by New Yorkers from their windows. And the song got a new lease of life this year on Broadway in the stage version of *New York, New York* and in the UK in *Sinatra: The Musical* in Birmingham. Its spirit of mulish optimism seems more necessary than ever as we head into 2024.

Áine Kim Kennedy

More in the series at ft.com/lifeofasong

Arts

An American soldier, the kind you really don't want to mess with, trains his gun on a pair of quivering, cringing targets. "Hey, there's some kind of misunderstanding here," one of them pleads desperately. "We're American." "OK," comes the reply, very slowly; the soldier's eyes are still murderously narrowed. "But what kind of American are you?"

It's a scene from Alex Garland's new action movie *Civil War*, which imagines a US ripped apart by fully weaponised conflict, state against state, liberals versus conservatives. In this election year it's sure to be hotly controversial on its April release, and even has a terrible ring of inevitability about its premise. Kirsten Dunst is among the stars who negotiate a very near future in which 19 states secede from the Union, there are government air strikes against civilians, journalists are shot on sight in the Capitol and battlefield players include

Celebs-in-everything seems to be the panacea as theatres battle budgetary black holes and reduced audiences

the Florida Alliance and the Western Forces (California and Texas). There seem to be no heroes.

Elsewhere among 2024's movies, the usual array of sequels includes Joaquin Phoenix's return as DC Comics' clown-faced villain in *Joker: Folie à Deux*, and the second chapter of Denis Villeneuve's adaptation of Frank Herbert's sci-fi classic *Dune*, with Timothée Chalamet and Zendaya starring. Even the auteur film menu offers up some unlikely starry fare: take *The Way of the Wind*, in which Terrence Malick takes on the life of Jesus and casts Mark Rylance as Satan alongside Géza Röhrig's Christ. But I'm more eagerly looking forward to Sam Taylor-Johnson's Amy Winehouse biopic *Back to Black*, which stars Marisa Abela.

If cinema has relied on the star system since its inception, it's a more recent phenomenon for live theatre to import big names from other genres. But celebs-in-everything seems to be the panacea as theatres are still battling post-pandemic budgetary black holes and reduced audiences, and 2024 in London sees a real array of big names. The newest *Macbeth* stalking the land has the starry pairing of Ralph Fiennes and Indira Varma in Simon Godwin's touring production, which is heading for Edinburgh, London and Washington, DC. Meanwhile at the Donmar Warehouse Keeley Hawes returns to the stage in Lucy Kirkwood's new political drama *The Human Body*, and the Coliseum offers a stage version of Studio Ghibli's Oscar-winning animation *Spirited Away*.

Released from *Succession*, Brian Cox is back on the West End boards in Eugene O'Neill's *Long Day's Journey Into Night*, the semi-autobiographical epic that won its writer a posthumous Pulitzer Prize in 1957. Meanwhile, Shiv Roy, now reinstated in real life as Sarah Snook, flaunts her new pulling-power in a version by Kip William of Oscar Wilde's *The Picture of Dorian Gray*, a one-woman show at London's 900-seat Theatre Royal Haymarket: quite a bold move.

And while *Sex and the City*'s other three players — Kim Cattrall, Cynthia Nixon and Kristin Davies — have all performed on the London stage in the past, Sarah Jessica Parker is about to make her West End debut. She and real-life



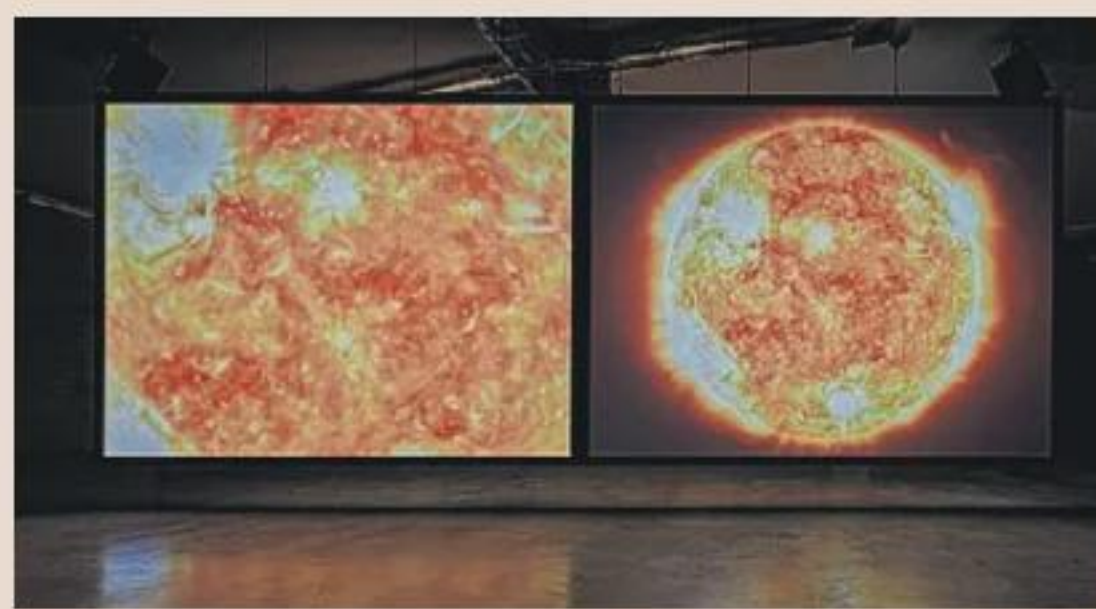
Civil war, sunflowers and Mickey unfettered

From a terrifying vision of a violently divided US to a first for Van Gogh and a Disney milestone, Jan Dalley takes her pick of the arts in 2024



husband Matthew Broderick play Karen and Sam, a long-married couple trying to pull their raggedy relationship back from the brink, the vehicle being Neil Simon's 1968 comedy *Plaza Suite*.

Celebrity of a different sort hovers around the more reclusive Jez Butterworth, theatrical royalty since 2009's *Jerusalem*, who drops a new play now and again just to keep us keen. Next year's, which is opening in January at the Harold Pinter Theatre in the West End, is *The Hills of California*, with Sam Mendes directing. It has nothing to do with either hills or California, apparently: it's set in Blackpool in the hot summer of 1976, and involves (in distant shades of Chekhov) two sisters and a boarding house.

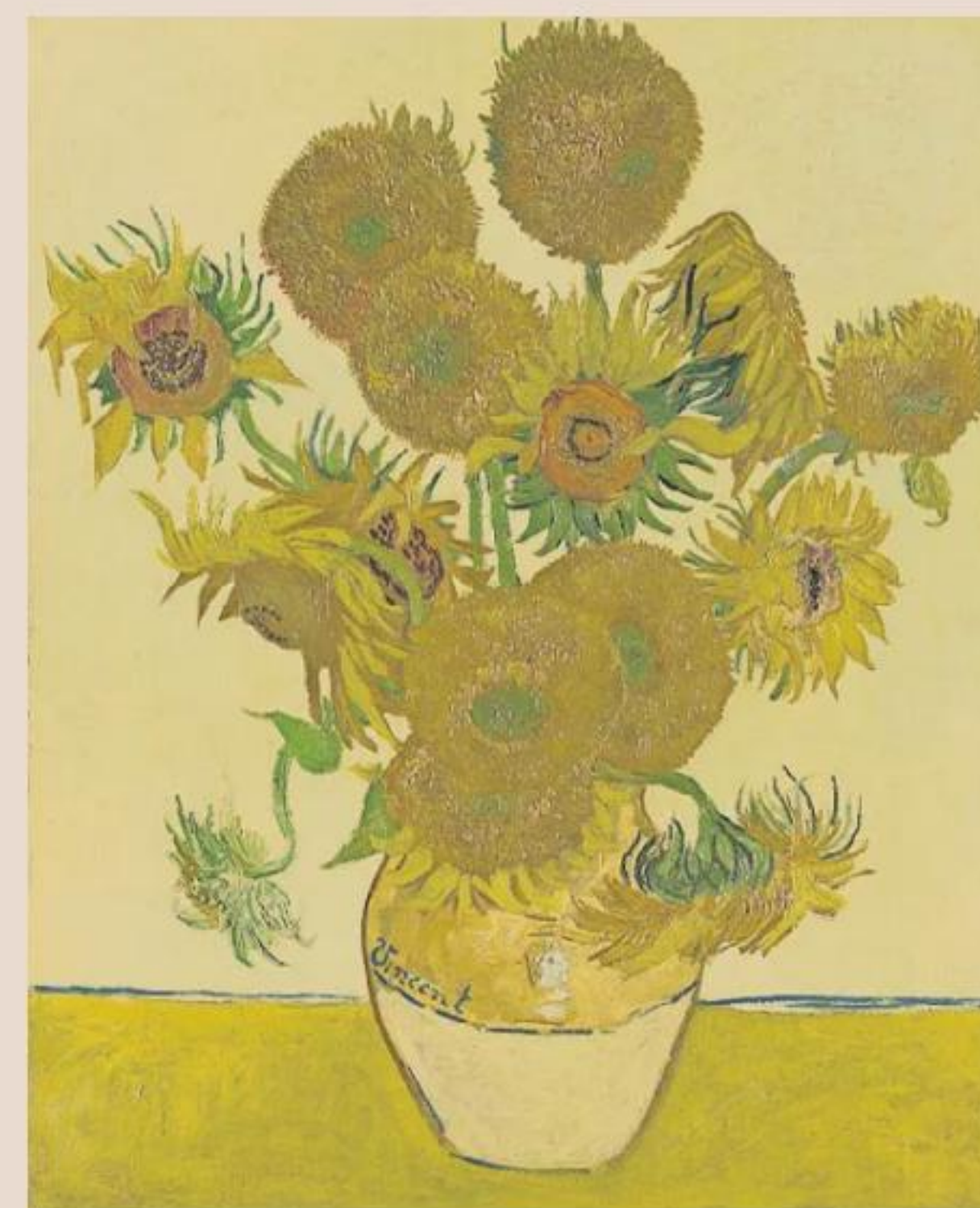


The furious pace of visual art exhibitions across the world shows no sign of letting up. During the Covid years, the end of the blockbuster was confidently predicted (too expensive, too cumbersome, too un-green), but this has proved to be way off the mark. In the coming year, the scale of things is as ambitious as ever. The 150th anniversary of the first Impressionist show gets a transatlantic celebration with *Paris 1874: The Impressionist Moment*, a joint project of the French capital's Musée d'Orsay and the National Gallery of Art in Washington, DC. It aims to recreate that historic show at the studio of photographer Nadar, on the Boulevard des Capucines, using mixed media as well as original works by the great names.

At Tate, meanwhile, Yoko Ono (now 90) gets a full retrospective: it will be an interesting chance for a proper assessment of an artist whose own work was cast into the shade by the blinding glare of being Mrs Lennon. In *Music of the Mind* she launches ideas, confrontations and performances as much as installations: we'll have a chance to see "Cut Piece" (1964), where people were invited to cut off her clothing, and her

Clockwise from main image: Kirsten Dunst in 'Civil War'; Van Gogh's 'Sunflowers', celebrated at the National Gallery, London; Marisa Abela in 'Back to Black'; Steve McQueen's 'Sunshine State', at Dia Chelsea in 2024; Yoko Ono's 'Film No 4 (Bottoms)', coming to Tate Modern

Courtesy Yoko Ono; National Gallery, London; Steve McQueen and Pirelli Hangar Biccocca, Milan



once-banned *Film No 4 (Bottoms)* (1966-67), a "petition for peace".

More centenaries at London's National Gallery: itself 200 years old, it's marking 100 years since its acquisition of Van Gogh's "Sunflowers" with a whopping exhibition — amazingly, its first for the artist. Although it's safe to say that the sun never sets on shows of this painter, and 2023 had several excellent examples, *Van Gogh: Poets and Lovers* looks set to be special.

Coming in at a more modest 50 years is the New York-based Dia Art Foundation, a unique institution created on what now seem very forward-thinking



Ralph Fiennes, Edinburgh-bound next year in 'Macbeth' — Matt Humphrey

principles, putting artists and studios ahead of conventional museum spaces. Across its two New York sites in the coming year will be the prolific Steve McQueen, with a new sound-and-light piece upstate in Dia Beacon (Marcus Miller and other hot musical names collaborate) and his brilliant state-of-the-art multimedia work *Sunshine State* in Dia Chelsea. Oh, and he also releases not one but two films in 2024: his mighty four-and-a-half-hour documentary *Occupied City*, about Amsterdam under Nazi rule, opens in cinemas in February, and later in the year a new feature, *Blitz*, again second world war-set, focuses on Germany's bombing campaign against Britain.

And the big daddy of them all, hitting its 60th edition, the Venice Biennale of art returns in 2024: it's an event that just gets bigger and bigger. This time it's curated by Brazilian Adriano Pedrosa, who has chosen as his rather puzzling theme *Stranieri Ovunque* — meaning "Foreigners Everywhere", or perhaps "We're All Strangers". The focus on artists who are "foreigners, immigrants, expatriates, diaspora, émigrés and refugees, as well as those who are outsiders in other senses, such as queer artists and folk or outsider artists" is no surprise (outsiders are the new insiders across the art world). The puzzling part is how that chimes with an event that almost uniquely celebrates nationhood, if not actually nationalism, in its very structure. As awkwardly and even embarrassingly outdated as that seems, with each edition more countries set up their national pavilions.

The surrounding shows appear more resplendent than ever, too: look out for Pierre Huyghe, Berlinde De Bruyckere and Gerhard Richter among a host of others.

Most people have given up counting anniversaries for the Rolling Stones: enough to say both Mick and Keith have turned 80. Undaunted, they're touring the US next year, while Bruce Springsteen (a mere 74) is resuming the world tour he began in '23; Madonna (just 65) is continuing her Celebration tour.

Finally, talking of ageing celebs, it's a big moment for a nonagenarian rodent. Mickey Mouse first appeared in *Steamboat Willie* (1928), and on January 1 the US's draconian 95-year copyright period comes to an end. When vintage works — stage, screen, music, literature — move into the public domain, it can be a boon for the life of the various art forms: not only are they free of royalties, but creatives and producers can reinterpret them for today's concerns and today's audiences. But it can be cruel: will Mickey suffer the same fate as poor Tigger, who is similarly liberated this year, only to find himself wafted straight into horror flick *Winnie the Pooh: Blood and Honey 2*?

The closest cinemagoing ever got to clubbing

Film | Nick Hasted talks to veterans of the Scala in London, which became a haven for a bohemian crowd in the 1980s and is fondly remembered in a new documentary

During the Margaret Thatcher era, London's Scala cinema was a sanctuary for cultural refugees from across Britain. They found their way from nearby King's Cross station to its portoled tower, which stood like a beacon in the then destitute, dangerous streets.

Here cinema wasn't an art form that stayed passively on the screen; instead it seemed as urgent as the bands that also sometimes played the venue, watched by audiences who mirrored the films in their rowdy commitment and dissolute style. The Scala taught you that Jimmy Cagney was as punk as the Sex Pistols, and that Russ Meyer's bosomy *Faster, Pussycat! Kill! Kill!* needn't bow to Bergman. "The most exciting film I saw there was *Get Carter* with Gallon Drunk playing in front of the screen," recalls journalist and author Cathi Unsworth, "and Morrissey hanging over the balcony."

A new documentary co-directed by the Scala's former booker Jane Giles and then-teenage habitué Ali Catterall, *Scala!!!*, celebrates its legacy. Regulars included a young Steve McQueen, Ben Wheatley, Joanna Hogg, Martin McDonagh, Mary Harron and Isaac Julien, and musicians such as Stereolab, Nick Cave and Barry Adamson. Peter Strickland films, such as the fetishistic *The Duke of Burgundy* (2014), owe a clear debt to

Scala nights watching the likes of Jesús Franco's *Venus in Furs* (1969).

"The main thing I got there was that everything was up for grabs," Strickland recalls. "It was rare then to reference exploitation cinema and high art. It informed my aesthetic, without question. My absolute dream was to make a film and have it shown there."

The Scala cinema club began at 25 Tottenham Street in London's Fitzrovia in 1978; the pre-fame Boy George lived in an adjacent squat and would pop in, sporting an outrageous, tottering hair-do, for a cup of tea. The King's Cross Cinema at 275 Pentonville Road, meanwhile, hosted the first UK gigs of Lou Reed and Iggy Pop's Stooges in July 1972. This rebel energy reignited when the Scala club migrated there in 1981.

The renamed Scala now offered an atmosphere unlike any other movie house, starting with the approach through the area's pre-gentrified, red-light streets. "I walked like a horse wearing blinkers, and I never got kerb-crawled or stabbed with syringes," Giles recalls. "I never saw the condoms on the ground. All I saw was my beautiful heart's desire, this Walt Disney fairytale castle with its broken sign."

"From the outside, it looked like something Terry Gilliam could have made, with its Nautilus submarine turret," Unsworth says. "Inside, it had

something of Walter Sickert's old music hall paintings." Climbing a cracked marble staircase, you passed through a cavernous bar with a punk mural before entering the auditorium.

"Passing through that portal felt ritualistic," Strickland recalls, "and unlike anything I'd experienced in Reading. I grew up incredibly middle-class, quite alone in my tastes. I went on my own, hoping I'd be taken into some kind of cult." On Strickland's first visit, he saw David Lynch's disturbing feature debut *Eraserhead* (1977). "The cinema felt like an extension of the film. There was a specific dankness and mystery to its

darkness." Former usher Vic Roberts recognises Strickland's description. "The further I went towards the projection booth, the more I felt like I was walking into something shrouded."

Tube trains that rattled past and cats that stalked its seats added to the ambience. So did an audience drawn from neighbouring gay venues, after-gig goths and punks, resting homeless and reckless cineastes, loosened up by drink and surreptitious drugs, and drawn together by uniquely adventurous bookings ranging from borderline pornographic queer favourites such as *Thundercrack!* (1975) and then-rarely-seen trips such as *Apocalypse Now*. "It was like a youth club for freaks where all these subcultures were fine, and the beer-boys were the weird ones," says Unsworth.



The Scala's foyer in 1986 — © Rob Brown

In the 1980s, I was a regular, sampling all-nighters programmed in defiance of the 1984 Video Recording Act's banning of "video nasties", which let me gauge the grungy worth of Abel Ferrara's head-splattering art film *The Driller Killer* (1979) and drift through *The Exorcist* (1973), dreamily safe in the somnolent dark. Emerging altered into Sunday sunlight was the closest cinemagoing got to clubbing. "I couldn't stay up all night without hallucinating," Unsworth agrees. "It added to the weird feeling that maybe you'd been abducted. . ."

Barry Adamson was bassist for Nick Cave's Bad Seeds back then, and had his worldview rearranged. "You got whacked with films you wouldn't see anywhere else, and suddenly you were enjoying and questioning everything. It was a great place of learning, and a safe environment to peer into the dark side." The Scala's uncensored extremity and like-minded crowds removed any sense of shame. "You were given permission to be yourself, and acknowledge what you felt. That gave us backbone as artists."

Roberts was similarly transformed. An "18-year-old, naive queer girl from rural England", her first double-bill as usher was Pasolini's scatological allegory *Salò, or the 120 Days of Sodom* (1975) and *Ai No Corrida (In the Realm of the Senses)* (1976), with its real sex and penis-slicing climax. "Watching hundreds of films like that opened my eyes and my tolerance. I don't startle or shock easily, and I observe things more keenly because I worked there," Roberts says.

'Scala!!!' is in UK cinemas from January 5 and on BFI Player from January 22. A season of its greatest hits runs at BFI Southbank, London, in January, bfi.org.uk



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House & Home

FTWeekend



Waxwing lyrical Bountiful berries lure the bonny bird – NATURE THERAPY PAGE 4

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The joy of boring buildings

Are we in the midst of a 'blandemic'?
Do we need more Gaudí? The FT's
architecture critic *Edwin Heathcote* on
why plain and restrained is beautiful

don't want to be *interesting*," said Mies van der Rohe. "I want to be *good*." From the architect who also said "Less is more", it is one of culture's finest, and most foundational quotes.

Some might say that Mies, who pioneered the transparent glass house and the fully glazed, curtain-walled office tower, was at least partly responsible for the banal streetscapes of the contemporary city. They may be right. But Mies's own buildings, from his Farnsworth House in Illinois (1951) to the Seagram Building in New York (1958) are ineffably elegant, exquisitely engineered and detailed, sublime in their minimalism, ethereal in their ghostly presence.

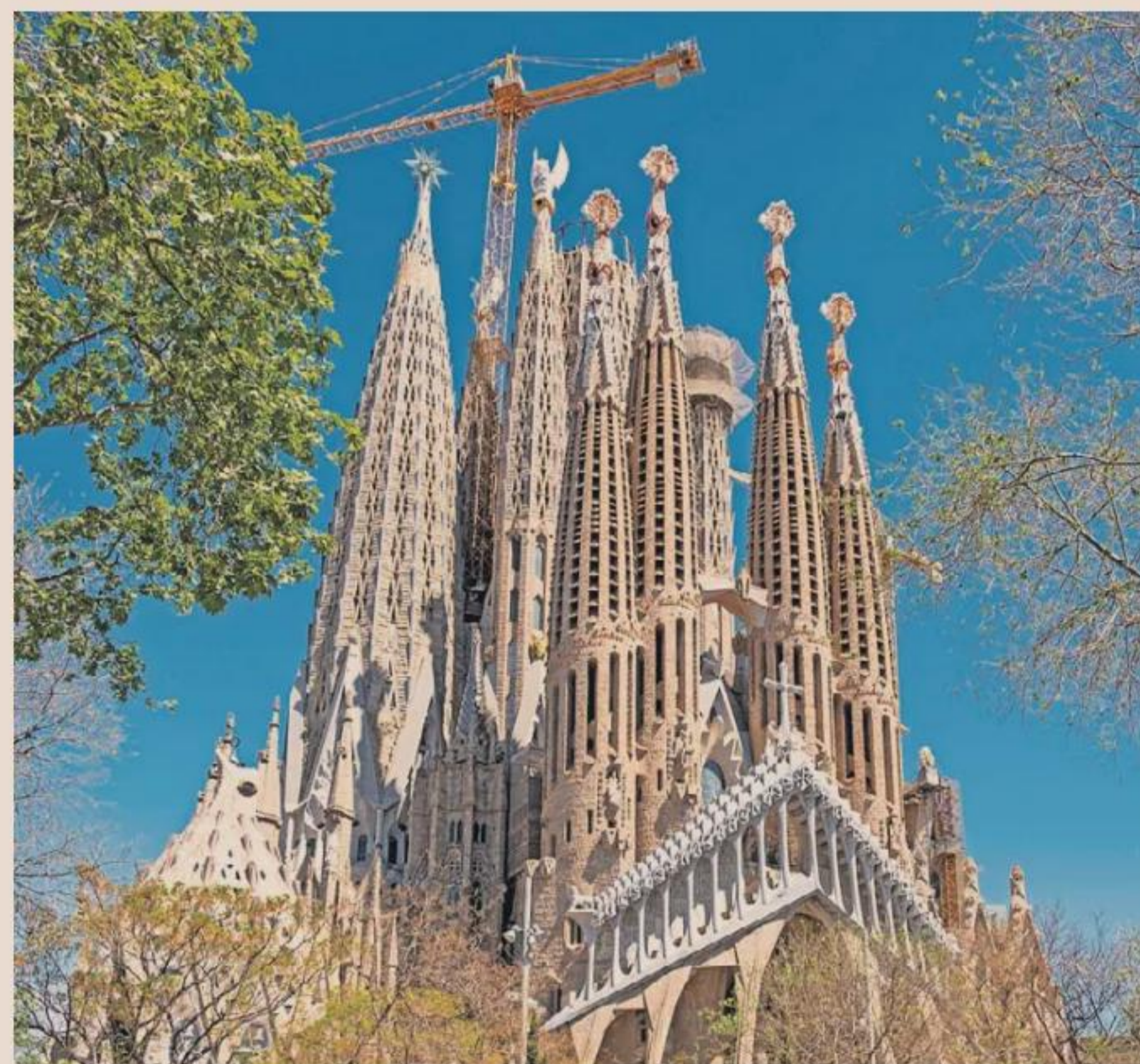
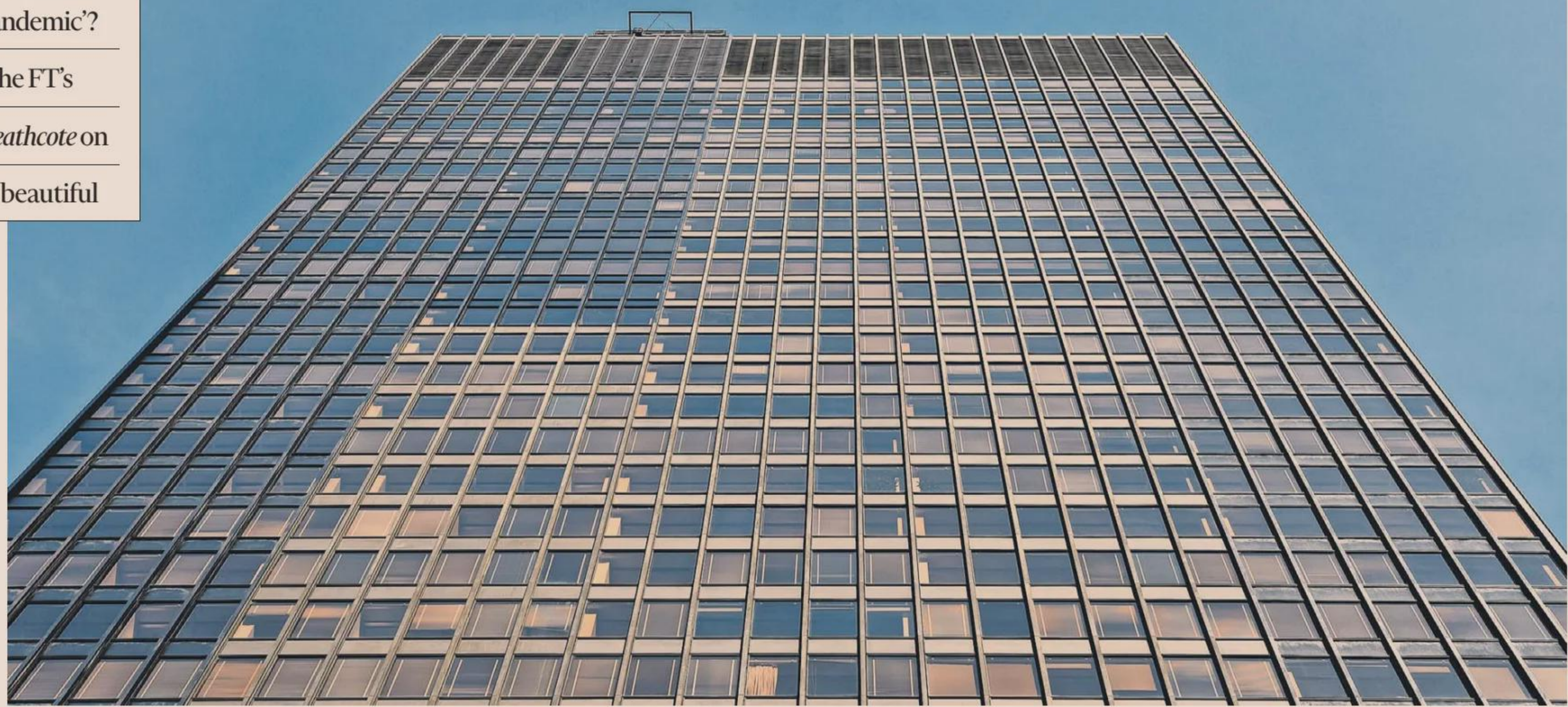
Some might say that as an architect, my view is tainted, that I have been immersed in a culture (or even a cult) which values this kind of purity and am no longer critical. Perhaps that's true too.

There has been a lot of talk recently about boring architecture. This comes most notably from designer Thomas Heatherwick, who, in his book *Humanise: A Maker's Guide to Building Our World*, writes of a "blandemic". It has also been coming from an increasingly insistent conservative lobby, in pressure groups and on social media, who post pictures of cities in Italy or crescents in Bath, suggesting that this is what we have somehow lost. These streets, incidentally, are always in a European past.

There is something, you might think, in it. To walk through a new suburb, planned around cars rather than people, with its cookie-cutter houses and sickly trees, its swaths of tarmac, slashes of fencing and lack of any sense of place or character is undeniably depressing. As is, probably, a walk through a central business district, anywhere from Chile to China: the anonymous glazed walls and the glimpses of bored, alienated security guards, the sheer lack of variety.

Like everything in contemporary culture, though, it is not that simple. Heatherwick blames architects, notably Le Corbusier, whom he christens "The God of Boring". Le Corbusier appears here as a caricature: the man who wanted to replace central Paris with tower blocks; the man indirectly responsible for every grim slab tower and rain-stained housing estate; the humourless, ego-driven architect in the bow-tie and the round glasses. But he is also an odd target.

As it happens, I am one of the vanishingly few architects who has rarely been



(Clockwise from top) The Seagram Building, Manhattan, by Ludwig Mies van der Rohe, 1958; Le Corbusier's Modernist masterpiece the Villa Savoye, in Poissy, France, 1931; Antoni Gaudí's remarkably un-boring Sagrada Familia church in Barcelona, just being completed a century after his death — Shutterstock/JJFarq; Geoffrey Taunton/Alamy, Petr Svarec/Alamy

seduced by Le Corbusier's work, but to call the designer of the Villa Savoye (1931) or Notre-Dame du Haut (1955) chapel boring is perverse. Even the housing he designed in Marseille, the Unité d'Habitation (1952), which has been blamed for so many poor imitations, is a wonder: humane and thoughtful, with social infrastructure built into it alongside a welter of decorative touches from light fittings to stained glass.

Heatherwick suggests, as have other commentators, that "science" tells us

Do we really want to live in a city designed by Gaudí? Would that not be a queasy, urban acid trip?

that people prefer ornamented buildings. Referring to the subject of a research project on stimulation in environments conducted by Colin Ellard, Heatherwick writes:

"The Boredom wasn't just making them feel nothing. Their brains and bodies were going into a state of stress . . . Boring modern landscapes, which privilege repetition over complexity, supply us with an unnaturally low level of information . . . When the brain is deprived of information from its environment, it takes it as a signal that something is wrong. It panics."

Boring architecture is, he suggests, stressing us out.

But what, exactly, is boring architecture? I guess we know it when we see it: the steel, glass and concrete towers, the generic storefronts, the anonymous blocks. This, though, is the architecture of global neoliberalism. It is the result of deliberate regulation, global supply chains, the market, the demands of contractors for a certain homogeneity (so they can keep building the same, familiar thing) and a market that likes certainty and is decidedly nervous of anything different. The preponderance of the generic is a product of a particular kind of capital.

In his book, pleading for something different, Heatherwick points to the work of Gaudí, which he encountered in a remaindered book as a student, to provoke the question: couldn't architecture be a little more extravagant?

Of course! Gaudí, we all love Gaudí, the crazy Catalan (undeniably not boring) who was run over by a tram and whose Sagrada Familia church in Barcelona is, astonishingly (and

controversially), nearing completion almost a century after his death.

But do we really want to live in a city designed by Gaudí? Would that not be a queasy, urban acid trip? The dripping stone and distorted walls, the melting iron tendrils and octopus-eye windows? Gaudí works because it is so astonishingly different. If everything was a bit Gaudí, we would, I think, quite quickly become nauseous.

Adolf Loos, the renowned architect who made his career in Vienna, is probably now most famous for his sardonic essay "Ornament and Crime", wrote in 1910 that "only a very small part of architecture belongs to art: the tomb and the monument. Everything else that fulfils a function is to be excluded from the domain of art."

For Loos, the essence of architecture was its responsibility to perform as background. He compared it to British tailoring. "What does it mean to be well-dressed?" he asked. "It is a question of being dressed in such a way that one is least noticeable." The quality of the clothes was in their understatedness. But also, the quality of their tailoring. It is harder to make something quiet well than to make something outrageous but unwearable.

When Loos was commissioned in 1909 to design a store for a gentlemen's outfitters in Vienna opposite the fussy Baroque Hofburg palace, the media erupted in outrage. Designs showed a plain white facade, with no mouldings around the windows, no sculptures, no pediments or reliefs. One famous

Continued on page 2

THE OWO

HOME OF LEGENDS

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RAFFLES LONDON



(Above) The Montpellier neighbourhood in central Cheltenham is sought-after for its Regency homes; (below) five-bedroom house, £2.5mn, Knight Frank Alamy

Phil Bates of Savills says sales are typically being agreed at between 2-3 per cent less than the asking price. Recent interest has focused on the Regency homes of the centrally located Montpellier. This week a three-bedroom flat in the tree-lined Park Place at £675,000 went under offer at £645,000; the sale before that was a Grade II-listed five-bedroom family home on the same road (asking £1.45mn, agreed at £1.4mn) in August.

"Homes at £1.25mn-£1.4mn are the sweet spot," says Bates. "The sticking point is above £1.5mn."

He says that 70-80 per cent of his buyers want Montpellier or the villages of Charlton Kings and Leckhampton to the south of the town, where larger red-brick houses are more typical.

Schools remain the biggest driver for buyers from outside the area, according to Bramwell, and the independent Cheltenham Ladies' College says there has been an increase in London families since Covid. "Some will rent before they

'In many ways Cheltenham feels like a suburb of London with its arts events, marathons and theatres'



chief executive of the women's team Gloucester-Hartpury. "It's easy to get to Oxford on the A40, where my family live, and there's so much going on with all the festivals."

The racecourse venue at Prestbury Park in the north of the city offers the infrastructure to host events all year, something that Susie Bradshaw loves about the town.

"In many ways Cheltenham feels like a suburb of London with its arts events, marathons, theatres," says Bradshaw, who is the PA for the Irish National Hunt trainer and former jockey Jonjo O'Neill. She lives with her partner on Cleeve Hill in Prestbury, with views of the Malvern Hills.

The average house sold in Prestbury this year was just under £541,000, according to Savills, higher than the adjacent Pittville, a Regency estate with a Grade II-listed park that was initially designed to be a rival spa town to Cheltenham in the 1820s.

The town offers "enough variety" for eating out and cocktails, says Kayleigh Davies, who works in fashion. She and her husband Tom bought a three-bedroom Victorian terraced house near Pittville Park five years ago, which they share with their 12-year-old son.

She recommends the new Sef Steakhouse, plus The Nook On Five rooftop restaurant, opposite No 131, the hotel-restaurant owned by Julian Dunkerton – founder and chief executive of the clothing company Superdry, which is headquartered in the town – and his wife, fashion designer Jade Holland Cooper.

"We love living here but prices have gone berserk," says Davies. "We are keen to have another child and a bigger house – but even with good jobs we can't afford the £800,000 for one in town."

buy a home to see if they like living in the town and so want a boarding or day place," says the school's Dragana Hartley. Charlton Kings is in the catchment area of Balcarras, the town's highly regarded secondary state school. Its newly opened sister school, The High School in Leckhampton, covers an overlapping area to the west.

The three most expensive areas of Cheltenham are Charlton Kings, Leckhampton and Charlton Park, with the average prices of properties sold in the first 8 months of the year at about £622,000, £596,000 and £587,000 respectively, according to Savills.

Ex-England rugby union player James Forrester chose Leckhampton Hill when he and his wife Jenni returned to the UK in 2018 after living in Singapore for 10 years, where he coached national teams. The couple – who now have three children – lived in the town for eight years when James played for Gloucester Rugby.

"After considering Buckinghamshire, we decided we could get more for our money here, and there were also grammar schools," says James, now the

Since 2018, the proportion of sales over £1mn has increased from 2 per cent to 5 per cent, according to Savills, but because it's less commutable from London as Bath or Oxford – the fastest train takes about two hours – there is a "price ceiling", according to Jonathan Bramwell



of agents The Buying Solution. "At around £1.5mn it's more affordable to get a 4,500 sq ft family house in Cheltenham than either of those cities, so some buyers can keep a flat in London as well [for midweek stays]."

In the first eight months of the year, the average property price in Cheltenham was over £402,000, up from about £391,000 in 2022. In the nearby town of Gloucester prices increased 1.3 per cent, according to Savills using Land Registry figures. Yet it remains markedly cheaper than Bath (£571,000) and Oxford (£658,000).

Successive interest rate rises have slowed the market – 45 per cent of properties for sale in Cheltenham were under offer in December 2023, down from 56 per cent in December 2022, according to the analyst PropCast.

in Cheltenham," says Angell, who has family connections in the area and, like his wife – also a lawyer – travels to London once or twice a week.

They make the most of being a short drive away from the Cotswold villages of Burford and Chipping Norton, and the padel courts at Bamford's The Club.

Data released by Hamptons shows that in 2023 Londoners bought the fewest homes outside the capital for nine years. Yet, like the Angells, around a quarter of us are now hybrid working, and Cheltenham, famed for its Regency architecture, horseracing and literary festivals, remains a beneficiary of this trend. London buyers still account for a higher level of buyers in Cheltenham than before the pandemic, as evidenced by recorded sales at agent Hamptons – 7.6 per cent of purchasers this year.

UK property | Hybrid workers in London have a long journey but love the town's Regency homes, horseracing, festivals and schools. By *Liz Rowlinson*

Freed from the need to commute daily into London after the pandemic, lawyer Alan Angell moved his family from the south-east of the capital to the former spa town of Cheltenham, on the western edge of the Cotswolds.

"With three children we needed more space than our two-up, two-down in Blackheath and there are great schools

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Berried treasure



Jonathan Guthrie

Nature therapy

Waxwings, redwings and fieldfares are flocking to UK gardens and supermarket car parks for a festive feast in a year of record abundance



Matthew Billington

Today, I want to talk to you about low-maintenance amenity planting. Hardly alluring, I know. But this is a nature column. The supermarket car park is therefore just a springboard to the great cycles of scarcity and abundance we celebrate every northern winter.

Some horticulturists sniff at the common shrubs developers shove into narrow beds to divide up parking areas. The preference is for tough evergreens that maverick shoppers cannot walk through: hollies, yews, cotoneasters and pyracanthas.

The aesthetic and nutritional preferences of planners and passerines coincide in the bright red or yellow berries these plants bear. Waxwings love them. A retail park can be a better place to see these birds than the heaths and hedgerows tipped in field guides.

Bohemian waxwings, as they are properly known, are bonny birds with orange-grey feathers and pompadour hairstyles. The binomial *Bombycilla garrulus* conveys their bustling, sociable character. Another lovely

word – “irruption” – describes their sporadic mass migrations into the UK from the north.

This is shaping up to be the biggest “waxwing winter” in a decade. Waxwings have been streaming into the UK in hundreds since October. Birding websites and messaging services are tracking them.

Across the country, seasoned twitchers are scanning the skies, calm but vigilant. Suddenly, one of them spots movement in the treetops. She barks into the cuff mic of her anorak:

“Berkhamstead do you read me? Incoming!”

“Copy! How many?”

“One hundred, maybe one-fifty double whiskies. Five clicks from Sainsbury’s. Closing fast.”

“What ordnance will we need?”

“The works. Bins, scopes, 600 mil telephotos. And . . .”

“Yes?”

“A Thermos of hot Ribena. It’s gonna be a long, cold afternoon.”

A Waxwing Winter implies up to 12,000 birds. That is still no great number. Some 700,000 redwings

I chanced on eight waxwings in a holly bush beside a Shell garage, resembling a convention of avian Elvis impersonators

breeze into the UK annually. I adore redwings, handsome thrushes with russet flanks and striped heads. In Iceland, you see them hopping around back gardens like blackbirds back home. As UK visitors, they form fast-moving flocks with fieldfares.

Waxwings have the additional charm unpredictability brings.

I chanced on eight in a holly bush beside a Shell garage recently. They resembled a convention of avian Elvis impersonators.

One theory is that waxwings come to the UK en masse when breeding success has been high further north but the berry crop has been poor. I think of this as The Viking Paradigm. Dark Age Scandinavians supposedly got itchy feet when population growth outstripped food output.

But it may not work for waxwings. Big irruptions are more likely in years when rowan berries are plentiful back home, according to recent research by Svein Dale of the Norwegian University of Life Sciences. Russian waxwings may feast with local birds in Scandinavia before they head south together in search of fresh supplies.

The stunted sorbus in my garden will be no good to them. Planted in nostalgia for Scotland’s rowans, it has struggled in hot, dry London. This year, resident garden birds stripped its meagre berries in days.

Fortunately, most of the UK’s berry-bearing trees and shrubs have had an

excellent year. This holds particularly true for hawthorns. Redwings and fieldfares love their fruit. These are available in record abundance, says Kate Lewthwaite, who leads a citizen science project at the Woodland Trust.

Heavy berrying is the result of good growing conditions. This spring and summer, for example, late frosts were scarce; sun and rain were abundant. Berrying plants are giving generously to the birds they rely on to distribute their seeds.

In contrast, “Oaks and beeches produce heavily in ‘mast years’ to overwhelm herbivores whose feeding destroys their seeds,” explains Guy Barter of the Royal Horticultural Society.

I always feel humbled by such symphonic masterworks of nature as mast years, mass migrations and explosive hatches of mayflies or cicadas. One marvels at the music without understanding the score.

Northern Europeans once felt similarly awed by mistletoe. This semiparasitic plant remains defiantly green when host trees appear dead. In a characteristically bleak Norse myth, evil Loki tricks blind Hodur into slaying Baldur with a dart of mistletoe, the only substance harmful to his friend. Yet in the best-known, post-pagan version of the tale, Baldur stands in for Jesus, symbol of rebirth.

All very syncretic. All very Christmassy. But it is for nutritional not spiritual reasons that mistle thrushes prize the plant they are named after. You can seek to indulge these scarce thrushes by growing it. Mistletoe cannot kill host trees – notably apple, lime and poplar – if you harvest excess growth to decorate your home at Yuletide.

“Ivy is more of a threat because it can create a massive canopy that topples trees in high winds,” says Pam Smith of the National Trust. Smear ripe mistletoe berries on a branch and they may root, she adds.

One year, I demonstrated immense horticultural enterprise by doing just this. Two years later, I exhibited a symmetrical level of stupidity by pruning off the branch where the mistletoe was sprouting.

It is a good job rare birds can rely on supermarket car parks for a meal this winter. They cannot rely on me.

Jonathan Guthrie’s Nature Therapy columns will return next summer

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Richmond, London TW1, UK

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About 3.3 acres | Guide £2.95 million *Freehold*

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Substantial period house

Holland Park, London W14, UK

This impressive house offers opulent period interiors and excellent entertaining space • 4 reception rooms • principal en suite bedroom • further 7 bedrooms (1 en suite) • further 4 bathrooms • dining room • library • swimming pool • sauna • gym • conservatory • staff accommodation • rear garden and terraces • 10,050 sq ft • Council Tax Band = H • EPC = E

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Stunning lakefront villa

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The wonders of willow

Create a simple screen or a fanciful uplit artwork to transform a bare winter garden. By *Jim Cable*

Willow is a useful element in winter garden design. Different species and cultivars display a range of colours in their young stems, from purplish-black to bright green, yellow and red. Often gardeners coppice or pollard willows in early spring to stimulate a fresh flush of new stems over the growing season.

But some go a step further to create surprising designs: Willow stems, or rods as they are known, are strong and pliable and have, for centuries, been woven into baskets, fencing hurdles or as the structural mesh in wattle and daub. And it's not just dead harvested rods that can be used for weaving. Living willow can be intertwined to create architectural shapes and art forms that add year-round structure and focal points to a garden.

Willow plants also support a wealth of insect life, as grower Peter Little, of Yorkshire Willow, has experienced firsthand. He supplies rods and a range of living willow kits to create structures such as domes, arbours and tunnels. "Where we are in the Pennines seemed bare when we moved here. We put in around 20,000 willow trees."

Now the bird life is far richer and Little observes bats on a summer evening "hoovering up the insects", he says. "There's a whole ecosystem around the willow which wasn't here at all 25 years ago when it was dairy fields".

Heinrich Braun is the designer behind Baugaarden Living Art, a venture he can trace back to 2002, when a friend gave him and his wife two sticks of willow as a housewarming present. The couple were originally from the Danish

countryside and had just bought an old farm as a step back towards rural life. "Stick them in the ground and they will grow!" the friend told him. "I knew nothing," says Braun, but did as he was told.

They rooted and grew quickly. The way that one cutting could provide material for 10 more over a growing season fascinated Braun. He began to explore ways to grow and use willow.

Baugaarden Living Art now offers 11 designs. The "Willow Wand", with its plaited stems forming a trunk, can be grown as a standalone tree, or in a line to form a pleached hedge. "Sif" is another popular design, a cylinder designed to sit over an uplighter. At night the living sculpture then casts interesting shadows and can mark out a drive or pathway.

Braun predicts his "Living Umbrella" will become very popular. In winter the intricate beauty of the woven framework creates a focal point in the garden – in summer, with the crown in leaf, it casts some useful shade. Living willow artforms can be planted in the ground or containers.

Braun is always looking to create new shapes with willow. He is currently working on a "living pavilion" and also experiments with different species and varieties. He is keen on bay willow, *Salix pentandra*, which has leaves like a bay but is much hardier, and the leaves release a lovely scent. The disadvantage is that it is slow growing and therefore not suitable for tall structures, plus it is hard to come by.

He also uses vigorous *Salix daphnoides*, which has attractive white catkins in early spring. *Salix purpurea x daphnoides* Bleu has beautiful grey leaves, not unlike an olive tree's. Braun



(Above) 'The Living Umbrella', one of the 11 designs sold by Baugaarden Living Art

How to make your own willow screen

You need 42 rods for each metre length of screen. Trim off 30cm from the tip of each and cut the base at an angle so it's easier to insert into the ground, which you'll have prepared by removing plants, turf or weeds and forking over the soil.

Willow structures are strong once established but a screen needs extra support, so install fence posts at 2-metre intervals. Mark at 15cm intervals along the proposed line of your "fedge". Insert groups of three rods by each mark at a sideways angle of 30-40 degrees from the vertical,

pushing their cut ends into the soil 15cm-20cm deep. Then work in the opposite direction, inserting rods at an opposing angle.

To weave, work along the screen from the base up, bringing the rods in front and behind each other to make a diamond or harlequin pattern. Secure as you go with cable ties. The willow extending beyond the end poles can now be doubled back and tied to complete the pattern. Trim the fedge along the top to a uniform height and remove all but the top row of ties. **JC**

works with clients on bespoke projects and can create a living willow structure based around a logo or initial letters – a living monogram.

But gardeners don't necessarily need help to create their own projects. A living fence – or "fedge" – is simple to make and can create a garden "room" or hide a compost bin, fuel tank or dustbin area.

They also make excellent wind filters – better than a solid fence, which can create turbulence. *Salix alba* and *Salix purpurea* cultivars are suitable, and available as living willow rods that behave as giant cuttings, rooting in the ground.

Willow has a reputation for blocking drains with its vigorous roots. The individual plants in a willow structure are growing very close together and their



Willow tunnel by Yorkshire Willow

height is restricted. This limits their root run but, to be on the safe side, do not plant a living willow feature closer to drains than its eventual height. Also, says Little, willow doesn't like being planted in the shade of big, established trees.

Little does a lot of work for schools. Children enjoy helping with willow creations. Domes with an entrance tunnel, a sort of willow igloo (a wigloo), are the most popular. He also makes long bendy tunnels – millipedes and centipedes – and he is responsible for more than one shark's fin emerging from the school grounds.

A living fence – or 'fedge' – can create a garden 'room' or hide a compost bin, fuel tank or dustbin area

When it comes to maintenance, Little recommends letting willow grow away during the spring and summer and then cutting right back to the original shape in the winter. You can, if you prefer things tidier, give the new growth a light trim once or twice over the summer.

In the Pennines, Little has never had to water newly planted willow but he accedes that in the south of England, if its first summer is very dry, it might need watering. In dry, free-draining gardens willow can also be planted through holes in a membrane, which keeps the moisture in the ground and can be covered with bark chips to disguise it.

Grown as a simple screen, a giant creepy-crawly or a sophisticated uplit artwork, willow is a truly versatile addition – and can provide intriguing shapes in an otherwise bare winter garden.*

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