

FT Weekend

Asia edition

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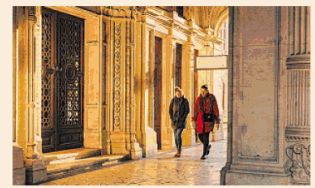
Predictions for the year and best books to read



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Jancis Robinson
LIFE & ARTS



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LIFE & ARTS



Markets lose more than \$30tn in worst year since financial crisis

◆ Global stocks fall nearly 20% ◆ Impact of rate rises and war ◆ Big US tech groups suffer

TOMMY STUBBINGTON AND ADAM SAMSON — LONDON
KATE DUGUID — NEW YORK

Global stocks and bonds lost more than \$30tn in 2022 as inflation, interest rate rises and war in Ukraine triggered the heaviest losses in asset markets since the global financial crisis.

The broad MSCI All-World index of developed and emerging market equities ended the trading year down nearly a fifth in value, the biggest decline since 2008, with bourses from Wall Street to Shanghai and Frankfurt all notching up significant falls.

Bond markets also saw heavy selling: the US 10-year government bond yield, a global benchmark for long-term borrowing costs, shot up to 3.9 per cent from about 1.5 per cent at the end of last year, the biggest annual rise in Bloomberg records going back to the 1960s.

"We had this situation for years where equities and bonds were both expensive because they were the same game, driven by low inflation and low interest rates," said Luca Paolini, chief strategist at Pictet Asset Management. "The lesson of this year is that at some point there's a day of reckoning, and when it comes it's brutal."

The market value of companies traded across all global stock exchanges tumbled some \$25tn, according to Bloomberg, while its Multiverse index, which tracks global government and corporate debt, was down almost 16 per cent or \$9.6tn in market value terms, according to provisional calculations at



Bonds: Bloomberg Multiverse, Global stocks: MSCI All-World, US tech stocks: Nasdaq Composite. All indices up to Thursday close in US dollar terms. Source: Bloomberg. Photo: Michael Nagle/Bloomberg

'At some point there's a day of reckoning, and when it comes it's brutal'

Thursday's market close. Antonio Cavaero, head of investments at Generali Insurance Asset Management, described the joint downward trajectories of stocks and bonds as "a game-changer for investors".

This year's losses came after central banks, led by the US Federal Reserve, ratcheted up borrowing costs in an attempt to control the worst spell of inflation in decades. The interest rate rises brought to a dramatic close the cheap money era that followed the

financial crisis. Russia's invasion of Ukraine in February further inflamed inflation and disrupted supply chains.

US tech titans were particularly hard hit by rising interest rates. By lunchtime yesterday, Tesla, the electric carmaker, had shed almost two-thirds of its value this year, while chipmaker Nvidia dropped 50 per cent. Apple and Microsoft tumbled almost 30 per cent. Alphabet was off nearly 40 per cent and Facebook owner Meta down 64 per cent. Overall, the blue-chip US S&P 500

stock index was 20 per cent lower this year, with the tech-focused Nasdaq Composite off 33 per cent. China's CSI 300 measure of stocks fell 28 per cent in dollar terms. The MSCI Europe index was down about 16 per cent in dollar terms, but 11 per cent in euros.

London's FTSE 100, heavily weighted towards energy, mining and pharmaceutical companies, was up slightly for the year in sterling terms. FT View and Opinion page 8 Markets Insight page 14



Net closing on Europe's €1bn drugs 'super cartel'

Noose tightens — PAGE 3

Table with 2 columns: Country and Value. Includes Australia, Brunei, China, Hong Kong, India, Japan, Korea, Malaysia, Pakistan, Philippines, Singapore, Taiwan, Thailand, Vietnam.

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Chinese tourists face fresh travel curbs as Covid outbreak sparks global alarm

RYAN MCMORROW — BEIJING
SUN YU — GUANGZHOU

China is increasing its monitoring of Covid-19 variants as an unprecedented wave of coronavirus rips through its population, triggering new restrictions on travellers from the country.

In recent days, Chinese researchers and officials have begun uploading genome sequence data from hundreds of coronavirus samples to Gisaid, a global online database that allows scientists to track mutations of the virus.

The data, while limited, showed the primary Omicron sub-variants spreading in China are similar to those that have already been identified in Europe and North America, where they were mostly outcompeted by more virulent strains.

The US on Wednesday cited "the lack of adequate and transparent" data as it

unveiled Covid testing requirements for air travellers from China.

Yesterday France, Spain and the UK joined Japan, India, Taiwan, South Korea and Italy among countries that have also imposed restrictions on Chinese arrivals in anticipation of a wave of visitors as Beijing prepares to fully reopen its airports on January 8.

Madrid said it would demand proof of vaccination or a negative coronavirus test from people arriving from China. France and the UK will require a negative test.

A research team at a major Beijing university that has begun submitting sequenced samples from the city said about 80 per cent of specimens were the Omicron sub-variant BF.7, while 20 per cent were BA.5.2.

Both are spin-offs of the BA.5 strain. The findings are consistent with state-

ments from Chinese health officials who have said the two Omicron sub-variants are responsible for the majority of cases in the country.

Data from the US Centers for Disease Control and Prevention estimated that the BA.5 sub-variant was responsible for 80 per cent of America's Covid cases in September, but had fallen to 7 per cent by mid-December.

Top Chinese health officials last week privately estimated the country was experiencing 37m new infections per day, with the rate of spread still rising.

Ben Cowling, a professor of epidemiology at the University of Hong Kong, said it made sense to be wary of new variants emerging in China, but added that "more sequencing would be better from all countries". "It's not fair to say that only China should be doing more sequencing," he said.

World Markets

Table with columns: STOCK MARKETS, CURRENCIES, GOVERNMENT BONDS, and CRYPTO. Includes data for S&P 500, Nasdaq Composite, FTSE100, Euro Stoxx 50, etc.

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INTERNATIONAL



WORLD WEEK IN REVIEW

Eurozone economy will contract next year, according to FT poll

The eurozone economy is set to shrink next year as high inflation and potential energy shortages drag down output and trigger a reversal in the fortunes of the labour market, according to a Financial Times poll of economists. Almost 90 per cent of the 37 economists surveyed by the FT said they thought the single currency zone was already in recession and the majority forecast gross domestic product would contract over the whole of next year.

European countries have managed to lower dependence on Russian gas imports by turning to Norway, the US and the Middle East, along with switching to alternative energy sources. But economists warn, without Russian supplies, it will be much harder to refill storage facilities ahead of next winter.

Democrats release six years of Trump tax returns after legal fight

House Democrats released six years of Donald Trump's tax returns yesterday, marking an end to a protracted legal battle staged by the former US president as he mounts his third bid for the White House.

Trump declared no taxable income for 2015, 2016, 2017 and 2020, having reported \$82m in combined losses across that period. In 2018 and 2019 – the two years for which he reported taxable income – he declared nearly \$29m of adjusted gross income.

In a statement released yesterday, Trump said the documents "once again show how proudly successful I have been and how I have been able to use depreciation and various other tax deductions as an incentive for creating thousands of jobs and magnificent structures and enterprises".

Airline passengers stranded after deadly blizzards sweep across US



Snow way: clearing a path in Buffalo, New York

Thousands of US airline passengers were left stranded following a blizzard that swept across the country over Christmas, killing more than two dozen people and leaving thousands without power. The majority of axed flights were operated by Southwest Airlines.

Netanyahu sworn in as Israel PM and leader of rightwing coalition

Benjamin Netanyahu was sworn in on Thursday as Israel's prime minister, sealing a remarkable comeback for the veteran leader who will head the most rightwing administration in the country's history.

His coalition government, made up of Jewish ultra-nationalist and religious parties, has promised to overhaul the country's judicial system, accelerate settlement construction in the occupied West Bank and highlight Jewish identity in public life.

These and a host of additional plans have already drawn unprecedented criticism from the defence establishment, business community, education system, LGBT+ rights groups, legal officials and other quarters of Israeli society.

Myanmar

Aung San Suu Kyi convicted of graft

Military court rules that former state councillor must serve 7 years in jail

JOHN REED — NEW DELHI

A military court in Myanmar has convicted Aung San Suu Kyi on five counts of corruption, handing down the last verdicts against the deposed leader in a protracted legal vendetta that human rights groups have denounced as a farce.

The former leader and Nobel Peace Prize laureate was found guilty yesterday of charges relating to the purchase and maintenance of a helicopter, according to a person with knowledge of the closed-door trial.

The court ruled that Aung San Suu Kyi will serve three-year sentences in four of the cases concurrently and one

consecutively, the person added, meaning she was sentenced to seven years in prison.

Aung San Suu Kyi, who from 2016 to 2021 served as Myanmar's state councillor, an office equivalent to prime minister, has already been sentenced to at least 26 years in prison on offences ranging from breaching the state secrets law to illegally importing and possessing walkie-talkies. The latest convictions bring the 77-year-old's total sentence to 33 years in prison.

Myanmar's constitution prohibits anyone imprisoned after being convicted of a crime from holding office.

"The junta's farcical, totally unjust parade of charges and convictions against Aung San Suu Kyi amount to politically motivated punishment designed to hold her behind bars for the rest of her life," said Phil Robertson,

deputy Asia director at Human Rights Watch. "Due process and a free and fair trial were never remotely possible under the circumstances."

The military junta ordered the arrest of Aung San Suu Kyi and hundreds of other ruling officials in February 2021 after making unbacked allegations of electoral fraud in the 2020 election that returned her National League for Democracy party to a second term in office. The regime has piled numerous criminal cases on the former leader and given her only limited access to her lawyers, who have been barred from speaking to the press.

"Aung San Suu Kyi should never have been in prison," Bo Kyi, joint secretary of the Assistance Association of Political Prisoners (Burma), a human rights group, said. "The military junta arrested her as part of its illegal coup [and] the

The junta's farcical, totally unjust parade of charges and convictions against Aung San Suu Kyi amount to politically motivated punishment

trial was a show court, just like thousands of political prisoners."

"The release of all political prisoners, including Aung San Suu Kyi, is an immediate need for Burma," he added, using the country's former name.

Aung San Suu Kyi is being held in a hut on a clearing at a prison camp in Naypyidaw, said Sean Turnell, an Australian academic and her former economic adviser, who was convicted alongside her in the "official secrets" case.

Authorities have erected mobile phone blocking towers around the site, including a cluster around her hut, according to Turnell, who was released by the regime last month. The regime remains diplomatically isolated nearly two years after the coup. The AAPP says more than 16,000 have been arrested and more than 2,600 killed since the military seized power.

Ukraine. Resilience

Kyiv refuses to let war dash new year hopes

Russian missile strikes have failed to diminish the capital's fighting spirit or holiday mood

ROMAN OLEARCHYK — KYIV

Hours after Russia launched one of its largest missile barrages against Ukraine's infrastructure since Moscow's invasion in February, the residents of Kyiv were using pedal power to ensure the lights did not go out on the Christmas tree at the city's main train station.

"Ten seconds of light. Ten seconds of jolly mood!" a man dressed up as Santa Claus chanted as people lit the tree. "I wish you all happiness, and most of all, our victory," he added.

The tree, whose lights are powered by an exercise bike or hand-turned wheels, has become a symbol of Ukraine's resilience as it prepares to celebrate New Year's Eve, followed by the Orthodox Christmas on January 7.

On Thursday, Ukraine said its air defences had intercepted 54 of about 70 missiles as Russia continued its effort to destroy the country's infrastructure and plunge citizens into cold and darkness over the festive period.

But at the railway station that evening, people at the tree were keen to show their holiday and fighting spirit remained undimmed. "It felt... as if I was pushing the pedals for all Ukrainians... even though there is a war going on, I want everyone to be happy," said Tetyana after taking her turn.

Her family would continue with their festive celebrations, she said, with "food on the table" and a back-up battery to provide light.

Cheering on the riders with her two-year-old daughter, Yevhenia Sontsova said: "This shows Ukraine is very resourceful and that we have innovative minds."

But despite the holiday mood, the 10-month-old war is taking its toll. Sontsova, who fled to Kyiv earlier this year from a north-eastern frontline town, said she was taking her daughter back after Thursday's missile strikes on the capital, which were "very loud" and "very scary".

After Russia began its nationwide air strikes last autumn, businesses in the



Light fantastic: a boy uses a cycle generator to power the Christmas tree decorations at Kyiv's main railway station

capital initially kept their doors open, operating by candlelight during blackouts. However, the mood has begun to darken as months of bombardment trigger lengthy power and heating outages in freezing temperatures.

In Kyiv, a city of nearly 3m which Russia failed to capture in the early days of the war and which lies hundreds of kilometres from the front lines, the relentless grind is once more bringing the war closer to home.

Power rationing has left street and traffic lights dark, making driving perilous, and heating is sometimes off for days. The stretch of diesel hangs over the city as businesses power up generators, and flashlights are a must for all who venture out. Residents are using their car batteries to power lighting at home.

"I'm on the edge," said Alina Yurchenko, who works for an internet retail company. She said the blackouts had made it difficult for her to work at home and that her son was becoming sick because of the cold: "It is tolerable without stable light, but it is unbearable

without heat." Describing the early days of the invasion, when Russian troops bore down on the capital, as "the scariest thing", it was "now just becoming impossible to function", she said.

Frustration is mounting among work-

'It felt as if I was pushing the pedals for all Ukrainians... even if there is a war, I want everyone to be happy'

ers struggling to keep basic services running. Staff at one office that maintains residential buildings said that with half the team away fighting, people needed to understand it was hard to make swift repairs.

"Let people worry when I run out of patience. Because if people like me leave now, they won't have heat here until spring," one employee added.

"Try to stay awake for four days working around the clock to give people warmth when one of them complains

"You know, it's warm in one room, but not warm in the other"... just stay in the warm room."

Ukrainians remain defiant. According to a recent poll by Kyiv's Rating Group, 97 per cent of respondents believe Ukraine will win the war. "Over 82 per cent believe that things in Ukraine are going in the right direction," the polling company said.

People are finding a semblance of normality and solace where they can. One regular customer at the Sunny Bakery coffee bar described the bright white interior on a dark night as "our happiness".

Alina Kachynska, a manager at the Ayo restaurant, which opened this spring as many Kyiv residents returned to the capital, said business was "not very" profitable because of the cost of running a diesel generator and constant disruptions that kept customers away.

"But how can we not work? We love our job. We prepare tasty food. We have loyal customers who come to us every day. We have to survive this," she said.

One freezing evening, during a blackout that prevented their children from doing homework, Yulia and a friend strolled with their daughters through a dark park to get some fresh air. "We decided to go for a walk because there is no light... why not take a walk?" she said. Her hardships were nothing compared to those faced by soldiers in the field, she added.

Yulia was mulling whether to sign her children up for skating lessons at the ice rink across the street. Trainers there are recruiting novice players for youth hockey teams to replace those whose families have fled abroad. Viktor, who drives the rink's ice resurfacer, said diesel generators provided some light but were insufficient to cool the ice, forcing him to clean it "dry", without adding hot water to form a fresh layer.

"We do our best for the children... We will not surrender to anyone but will defeat those bastards and continue to live healthy lives," he added.

Back at the train station, Santa Claus pointed out that "many hundreds of people have sat on my lap, and 90 per cent of them told me they wished for Ukraine's victory".

He added: "Such a nation cannot be defeated."

Inflation Reduction Act

Brussels warns US green subsidies risk giving boost to China

SAM FLEMING AND ANDY BOUNDS BRUSSELS

The US's massive green subsidies plan risks backfiring by driving European companies closer to China, a top EU policymaker warned as he said that talks with the Biden administration are unlikely to solve all the issues Europe has with the legislation.

Valdis Dombrovskis, EU trade commissioner, said that while the \$369bn Inflation Reduction Act was in part an attempt by the US to curb its reliance on China, it could have the opposite effect in Europe by making "overtures and propositions" from Beijing more interesting. This, he said, "may work against the stated aim of the act".

Dombrovskis spoke before the release of guidance by Washington on Thursday indicating that EU companies could

attempt to bolster US investment in such sectors by reducing American reliance on Chinese products and knowhow.

The European Commission has warned that the act discriminates against EU-based companies and threatens the bloc's industrial base. It has formed a task force with the White House in an attempt to resolve the dispute.

While there are signs of movement by the White House in the key areas of electric vehicles and batteries, this would only alleviate some of the issues, Dombrovskis said. "If there are those outcomes, it would solve part of our problems, not all of our problems," he said, stressing that the IRA involved a "much broader" range of sectors.

"When this work is over we will need to take stock of where we are and see

the regime. Dombrovskis flagged two key areas where the transatlantic discussions are focused.

The US legislation requires electric cars to be assembled in North America to be eligible for a \$7,500 consumer tax credit, to the dismay of carmakers in Europe, South Korea and elsewhere. However, this provision does not apply to commercial electric vehicles.

On Thursday, the commission welcomed new US guidance indicating EU companies could benefit from the commercial clean vehicle credits under the IRA, saying it reflected "constructive engagement" by the sides. However

Brussels stressed it remained concerned by discriminatory provisions affecting other clean vehicles.

The other focus is on requirements that battery components be sourced from the US or its trade partners. While the EU does not have a trade deal with the US, Dombrovskis hopes that the geographical scope of this can be drawn sufficiently widely to include the bloc.

At the same time, the EU needed to examine its own subsidies scheme as part of addressing the imbalance created by the US legislation. Part of this is likely to entail further changes to EU anti-subsidy rules on state aid.

The commissioner stressed he did not want to see a trade war, but it would be possible to target EU subsidies more effectively. "We need to be careful not to engage in some kind of a subsidy race which may be expensive and ineffi-

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INTERNATIONAL

Police noose tightens on Irish drugs 'super cartel'

Case against one of world's most wanted gangs to advance 'significantly', according to officers

JUDE WEBBER — DUBLIN

Daniel Kinahan, one of the world's most wanted drug lords, was already feeling the heat as this year began, and not from the sun beating down on his residence on Dubai's exclusive Palm Jumeirah.

Two of the Irishman's partners in the "super cartel" that Europol accuses of controlling a third of Europe's cocaine trade were behind bars, along with the top UK-based lieutenant in his drugs empire that Irish police estimate is worth €1bn.

Kinahan, who cultivated ties to professional boxing alongside his illicit operations, was reportedly sleeping in different locations each night in an effort to avoid detection, but things were about to get much worse.

By April, Kinahan, his father and brother had sanctions imposed on them by the US, and the United Arab Emirates froze their assets. In September, his alleged key money launderer was busted in Spain. Two months later, another "super cartel" associate was arrested in Dubai and 48 others were detained in raids across Europe and the UAE that Europol said had "taken down" that crime syndicate.

For Kinahan, 45, the biggest European kingpin still at large, who inherited the cartel from his father and transformed it into a source of "mind-boggling finance", 2023 could be the year when the net finally closes in, pointed

out Séamus Boland, Ireland's top police officer fighting organised crime.

"I would be satisfied that 2023... will advance matters significantly," the detective chief superintendent, who heads the Garda National Drugs and Organised Crime Bureau, said, vowing to "pursue the group until the group no longer exists".

Others put it more bluntly: "The endgame for the Kinahans is coming into sight," said Anna Sergi, a criminology professor at the University of Essex.

Ireland appears an unlikely place to spawn a major cartel in the crosshairs of global law enforcement, but the Kinahans exploited its location as a link in international drug supply chains and built partnerships.

It began with family patriarch Christy, dubbed the "Dapper Don". With a mind as sharp as his suits, and a middle-class accent that set him apart from others in Dublin's criminal underworld, Christy moved into trafficking heroin in the 1980s.

A prison stint gave Christy a leg-up: he studied languages and met a key associate with whom he went on to muscle in on the drugs trade in Amsterdam. He relocated to Spain's Costa del Sol around 2000, forging ties with Latin American producers and European cartel bosses.

Yet it was not until 2010, in part due to a Spanish-led swoop dubbed Operation Shovel, that the full scale of the Kinahan empire, now run by son Daniel, became



Hunted: Garda assistant commissioner John O'Driscoll gives a briefing at Dublin City Hall after the US in April offered \$5m bounties for each of the Kinahan gang

Neal Carson/PA

clear. Operation Shovel proved a failure, with prosecutors unable to make a watertight case.

Daniel Kinahan has never been convicted of any offence relating to his activities, but it showed the clan was flourishing, and by now had established ties with boxing via its MGM gym, just one of the businesses through which the Kinahans laundered drugs cash, police confirmed. Through the boxing venture, later rebranded MTK, Daniel advised Tyson Fury, according to the British former heavyweight champion. Fury, who is not linked to any cartel activity, has since insisted Kinahan's interests are "none of my concern".

A botched assassination at a boxing weigh-in at a Dublin hotel in 2016 accelerated a gangland feud with a rival clan and prompted a switch to Dubai, where Christy was already based. Attendees at Kinahan's lavish wedding at the Burj al Arab hotel in 2017 included international drug barons, including Dutch-Chilean Ricardo Riquelme Vega, Morocco-born Ridouan Taghi, Raffaele Imperiale and Edin Gaćanin.

But one by one they have fallen: Riquelme in 2017; Taghi in 2019; Impe-

riale in 2021 and Gaćanin, a Balkan crime boss captured last month as part of the Operation Desert Light raids by US, Spanish, French, Belgian, Dutch and UAE law enforcement that led to 49 arrests in all.

Imperiale, an alleged boss of Italy's Camorra Mafia who was extradited from Dubai to Italy in 2022, has since turned state's evidence and experts say he will have plenty of dirt to dish.

But Sheelagh Brady, a former Irish police officer who co-founded security-focused SAR Consultancy, said it was not yet certain for the Kinahans.

"The noose is getting tighter, but not to the extent that I would have liked to see," she said. "I still think there are locations that keep them relatively safe and people that want to work with them."

Still, there have been significant blows to their operation, notably the 2019 arrest of UK-based Thomas "Bomber" Kavanagh, considered Kinahan's second-in-command, and the September capture of Kinahan's alleged enforcer, Johnny Morrissey, accused of running one of Europe's biggest laundering networks.

'The Kinahans are poison now with all this global attention on them'

Anna Sergi, University of Essex

"He [Kinahan] is the last man standing. Imperiale is a *pentito* [state's witness], Morrissey is looking at a massive sentence in Spain and there's only one way out: to talk," said Nicola Tallant, investigations editor at Ireland's Sunday World newspaper and author of *Clash of the Clans*, a book on the Kinahan cartel and its gangland connections.

The sanctions imposed in April by the US Treasury on the family and several associates, plus the \$5m bounties placed on the three Kinahan's heads, have made them a "liability" in underworld circles, said Roy McComb, a former deputy director of the UK's National Crime Agency, adding the cartel were "friendless, stateless, wanted around the world".

Gone are the days when Kinahan could slip into Dublin for a funeral or a boxing event. The cartel boss has not been seen in public since April.

"The Kinahans are poison now... with all this international attention on them," said Sergi.

And in the cut-throat drugs world, where one clan's downfall is another's opportunity, "are they really offering something no one else can?"

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INTERNATIONAL

US politics

House Republicans hit by division and scandal

Move to oust Speaker hopeful and false claims feed rancour in Congress

JAMES POLITI — NEW YORK

The new Republican majority in the US House of Representatives is set to take office next week amid a swirl of division and controversy, as leader Kevin McCarthy rushes to overcome internal opposition to his speakership and an incoming New York congressman is rocked by scandals.

A handful of members of the hard-

right and mostly pro-Trump Freedom Caucus have explicitly vowed to vote against McCarthy becoming Speaker. They believe the backlash is broad enough for their campaign to succeed and sink McCarthy's bid for the top position in the House.

"He should withdraw before next Tuesday so we can unite behind a consensus candidate that can get to 218," Bob Good, a Virginia Republican, said in an interview, referring to the number of votes needed to take the Speaker's gavel. Good said McCarthy had not effectively fought big spending bills supported by Democrats and was not sufficiently

committed to impeaching Biden or Merrick Garland, the attorney-general. McCarthy would continue to challenge conservatives in primaries and give top committee assignments to moderates, Good added.

Meanwhile, the run-up to the new Congress has been dominated by a scandal engulfing George Santos, a Republican who was newly elected in the midterms to represent a wealthy district in Long Island.

Santos had been a symbol of the party's gains in the New York suburbs, but in recent days admitted he had "embellished" his CV after revelations

that he misled voters about everything from his religious faith and family history to his education and career.

Among Santos's most outlandish falsehoods was a claim he was a "proud American Jew", when he was a practising Catholic. He had told the New York Post he was "Jew-ish" owing to his "maternal family background". Santos also claimed to have worked for Goldman Sachs and Citigroup, and obtained a degree from Baruch College in New York, all of which was inaccurate.

The district attorney in Nassau County has opened a probe into Santos's "numerous fabrications and inconsis-

encies", a spokesperson said, while the New York Times reported that federal prosecutors in Brooklyn had also opened an investigation "focused at least in part on his financial dealings".

Some Republicans have criticised Santos, although they have stopped short of calling for his resignation. Nick LaLota, a Republican who was also newly elected to a House seat representing Long Island, said his constituents were "deeply troubled" by the headlines about Santos. "New Yorkers deserve the truth and House Republicans deserve an opportunity to govern without this distraction," he said.

Good said it was "disappointing and unfortunate" to hear that Santos had misrepresented his past, but that he would not call for his removal.

Meanwhile, Republican leaders kept quiet, in full knowledge that every vote counts ahead of the speakership election next week and beyond.

McCarthy's defenders have vowed to fight on. "There is no plan B here. The plan is to get McCarthy elected as Speaker," David Valadao, the Republican congressman from California, told CNN this week. "We can be there all night. We can be there two or three days. It doesn't really matter."

Obituary Global superstar who was only player to win three World Cups

Pelé
Footballer
1940-2022

When, out of frailty, Pelé withdrew from lighting the cauldron at the 2016 Summer Olympics, held for the first time in Brazil, it came as a signal to the footballer's fans worldwide they should prepare for his demise, which more than two years later, came at the age of 82.

In a 21-year career, he was part of three World Cup wins. In those and in lesser matches, he hardly ever failed to score: according to Fifa, his goal tally was more than 1,200. Yet the bare statistics do scant justice to the scale of Pelé's achievements, and the talent of a man voted best athlete of the 20th century by the world's National Olympic Committees, even though he never took part in an Olympics.

Masterful in control of the ball with either foot, fast and strong, and a small man who could outjump bigger ones, he had all the physical attributes desirable in a footballer. Above all, he had perfect control of the ball and could read the field in an instant. He even invented giving a pass off opponents' ankles. As Armando Nogueira, a Brazilian football writer, put it: "If Pelé had been born a man, he would have been born a ball."

Yet a ball was a luxury early on for Edson Arantes do Nascimento. Born in poverty on October 23 1940 in Três Corações, a town in the inland state of Minas Gerais, he began by kicking a grapefruit. The youthful Edson — even he was unsure how he picked up the nickname Pelé — dreamt of being a pilot. But when the family moved to Bauru, closer to São Paulo, he came under the wing of Waldemar de Brito, the former international who recognised he had a phenomenon in his charge. He took the boy to Santos, a team based in the commercial capital. Not yet 16, Pelé made his debut, coming on as a substitute and scoring.

Less than a year later on July 17 1957, he played his first game for Brazil, against Argentina. Once more he was a substitute; once more he came on and scored. When the sides met again a few days later, he was on from the start, and again he found the goal.

He nearly missed the 1958 World Cup in Sweden; a knee injury had put his place in jeopardy, but the 17-year-old put two past the host nation in the final. The brilliance of his displays and unshamed tears of joy after Brazil's 2-0 win established him as a global celebrity.

Four years later, physically stronger and mentally more mature, Pelé was undoubtedly the world's best footballer. But he played little part in Brazil's suc-



National mourning

Brazil unites in paying tribute to 'The King'

Brazil began three days of national mourning following the death of legendary footballer Pelé, bringing the country together in a rare moment of unity to grieve for its most famous son.

The man considered the greatest player in the history of the sport, known simply as "The King" in his homeland, passed away on Thursday afternoon at the age of 82 after a battle with colon cancer. As his health deteriorated in recent weeks, family members posted photos from his bedside. Doctors confirmed the cause of death as multiple organ failure connected to his cancer.

"I don't follow football, but he was a real ace," said Zelia Murió, 52, who was at the hospital to attend a medical exam. "May he rest in peace."

Guimarães, her 29-year-old son, lamented how Brazil had failed to win the recent World Cup in Qatar as a final send-off for the great man. "It would have made him so happy."

Brazilian television and radio broadcast back-to-back coverage of the life and times of the sporting icon. "Pelé has died, if indeed Pelé can even die," read the front cover of daily newspaper Estado de São Paulo. A building was lit up on Paulista Avenue, São Paulo's main

thoroughfare, with Pelé's image, while the national colours of green and yellow were projected on to the Christ the Redeemer statue in Rio de Janeiro, pictured.

The public outpourings of grief have overshadowed the inauguration tomorrow of the country's next leader, Luiz Inácio Lula da Silva, which takes place in a tense atmosphere of polarisation. Yet Pelé's passing brought an uncommon consensus between political foes. Outgoing president Jair Bolsonaro used a rare public speech since his defeat in

October to pay homage to Pelé. "(He) took the name of Brazil to the four corners of the world. Today the whole world mourns with the passing of Pelé and we mourn here too," he said yesterday. Lula, meanwhile, spoke about his "privilege" to have watched Pelé play.

Pelé's body will be taken to Santos, the city in the state where he spent his entire football career in Brazil for a public wake on Monday at the stadium he once graced. It will be followed by a procession of his coffin through the town's streets the following day, before a private family burial. Reporting by Michael Pooler and Carolina Ingizola

cessful defence of their title in Chile. In the second match, he tore a muscle and sat out the rest of the competition.

An anxiety to show he had lost nothing inspired stellar performances at club level. Santos were contesting the world club championship with Benfica of Portugal. A 3-2 win in the first leg in Brazil was seen as a narrow lead to defend in Lisbon. Pelé confounded that view when he scored three quick goals.

Yet in the 1966 World Cup, Brazil were eliminated early. Pelé cut a forlorn figure as he trudged from the field, a coat pulled over his bare shoulders in the cool English summer. It was three years before he once more donned the yellow shirt, but from then he prepared to make Mexico 1970 his celebratory farewell to the biggest stage in sport.

At 29, he was at the height of his powers. In the final, he put Brazil on the path to victory with an awe-inspiring header. "We jumped together," recalled Tarcisio Burgnich, the unfortunate Italian who had to mark him. "But when I landed, I saw he was still floating in the air." His slotted pass for Carlos Alberto to blast home Brazil's fourth goal remains one of football's enduring images.

Pelé remains the only man to have won three World Cups. Brazil's three victories played a key role in the creation of a national identity in the country

Champion: Pelé is lifted on to his teammates' shoulders after Brazil beat Italy to win the 1970 World Cup in Mexico — AP

of immigrants, indigenous people and descendants of slaves. Pelé was the symbol of success, a point of unanimity in a land of regional rivalries. Although from São Paulo, Santos often staged big games in Rio de Janeiro and received impassioned support. It was fitting that Pelé's 1,000th goal, in 1969, was scored in that city's Maracanã stadium.

Five years earlier, a nationalist military dictatorship had seized power. As repression increased at the end of the 1970s, the government exploited Pelé's propaganda potential. Pelé went along with it, telling the foreign press in 1972: "Brazil is a liberal country, a land of happiness. We are a free people. Our leaders know what is best for us and govern us with tolerance and patriotism."

As he slowly withdrew from the pressures of competitive football, there was time and space in his life for his views to develop. In 1984, he became involved in a campaign for direct elections to the presidency. Ten years later, with democracy reinstated, he was made sports minister in the administration of Fernando Henrique Cardoso. Seemingly

"We jumped together. But when I landed, I saw he was still floating in the air"

Tarcisio Burgnich, Italian player

motivated by the realisation he had done little constructive with his earlier influence, Pelé launched a law designed to clean up Brazilian football.

That spell at the ministry was an interruption from his business activities. As a player, he had not earned the sums his talent warranted, and having grown up poor, he was determined to achieve wealth. Pelé's global appeal made him attractive to multinationals; he signed deals with Pepsi and MasterCard, and had his own marketing company. Twice divorced, he is survived by his third wife, Marcia, and a number of children from various unions.

In his final years, the star cut a low profile, with regular hospital visits in São Paulo for cancer treatment. In September 2021, he had a tumour removed from his colon.

He posted on social media often and was enthused by the beginning of the World Cup. On December 1, upon admission to the hospital, he thanked fans for sending "good energy".

"Everything I have and everything I am is love to football," Pelé had said in 1997.

Throughout his career, he was ready to sign autographs and clearly derived great joy in his own talent. But the joy he was many times greater. Tim Vickery, Gordon Crabb, Bryan Harris and Simon Kuper

Obituary Iconoclast who changed the way the world dressed

Vivienne Westwood
Fashion designer
1941-2022

Vivienne Westwood once said: "You have a more interesting life if you wear impressive clothes." Her own life was testament to the theory.

Fashion's great iconoclast, who has died at the age of 81, began her career as a primary school teacher but would go on to transform the way young Britons, and much of the wider world, dressed.

Alongside then partner and Sex Pistols band manager Malcolm McLaren, she established the look of punk in the mid-1970s. And in so doing, she also changed conceptions of how clothing could be used to express — or, in Westwood's case, reject — social and political norms and shape group identity.

"[She] not only defined an epoch but shaped ensuing generations' reactions to the world around them, both aesthetic and ideological," Financial Times mens fashion critic Alexander Fury wrote in his book, *Vivienne Westwood*

She was insatiably curious about British historical dress, often incorporating Irish linens and Scottish tartans and tweeds into her designs. In this she influenced the work of later designers, including John Galiano and the late Lee Alexander McQueen.

But in later years it was her activism, rather than her clothes, that made headlines. In 2015, she rode up to then prime minister David Cameron's house in an armoured vehicle to protest against his government's fracking policy, and in 2020 locked herself in a giant bird cage to protest over WikiLeaks founder Julian Assange's proposed extradition to the US. She was also a critic of capitalism even as her fashion business expanded, with stores in a dozen countries.

Her rebelliousness often took a humorous turn. She showed up knickerless to receive her OBE at Buckingham Palace in 1992.

pair began selling their designs in the heart of the British upper-class establishment, at 430 King's Road in Chelsea, in a shop first called Let It Rock.

The Sex Pistols wore their clothes, and as they shot to fame in the mid-1970s, so did Westwood and McLaren. The Teddy Boy clothes of their early years gave way to designs inspired by sexual fetishism — bondage trousers with a zip in the crotch, cleaning maid's dresses of black and red rubber, stilettos with spikes.

Westwood and McLaren enjoyed shocking the public, and succeeded: tees and muslin shirts printed with provocative slogans led to their prosecution under the Obscene Publications Act. In response, they renamed their shop Sex.

"It was about smashing all of the values," she recalled of those designs, "all the taboos of a world that was so cruel and unjust, mismanaged and corrupt." The pair's entrée into high fashion

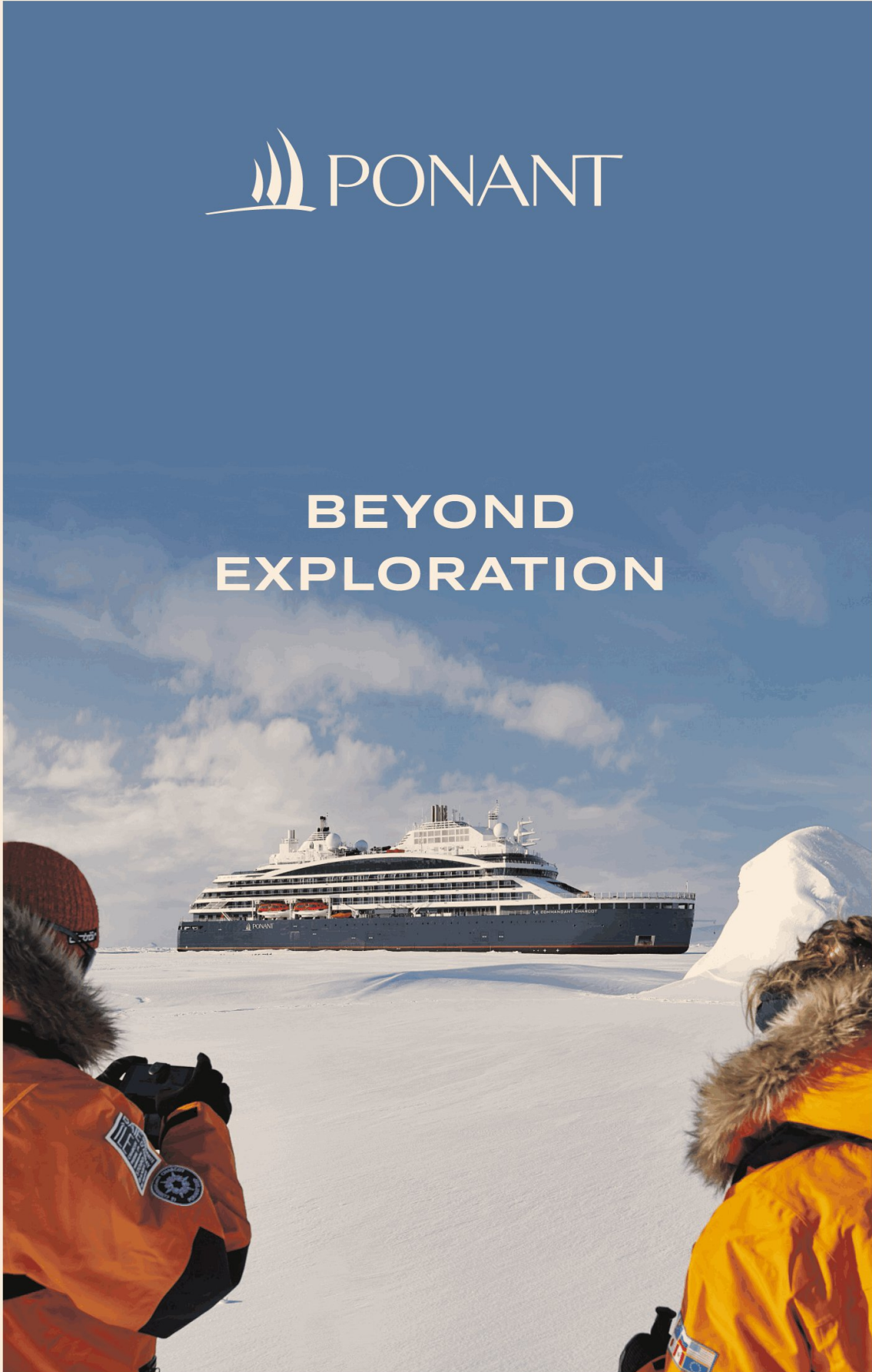


Vivienne Westwood: influenced John Galiano and Lee Alexander McQueen

six most important designers in fashion. In his 1989 memoir, *Chic Savage*, Far-child described her as "the designer's designer... copied by the avant-garde French and Italian designers because she is the Alice in Wonderland of fashion and her clothes are wonderfully mad".

In 1988, she met fashion student Andreas Kronthaler. They co-designed her spring/summer 1991 collection, and in 1992 they married. In later years, Kronthaler took full responsibility for the collections, which he always dedicated to Westwood and were inspired by her archives. At his shows she sat in the front row where, each season, he would present her with a bouquet of flowers before taking a bow.

"I will continue with Vivienne in my heart," Kronthaler said in a statement. "We have been working until the end and she has given me plenty of things to get on with."



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BEYOND EXPLORATION

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Cruising on *Le Commandant Charcot* is to follow in the footsteps of the great polar explorers through the Arctic Ocean, the North-East coast of Greenland and the far reaches of Antarctica.



FT BIG READ. ENERGY CRISIS

From Finland to France, countries in the region are making efforts to reduce energy consumption for the greater good. Can the mood of solidarity survive if there is a sharp drop in temperatures?

By Alice Hancock

Winter tests Europe's resolve on energy sacrifices



There is a festive tradition in Finland that everyone decamps to the sauna on Christmas Eve to sit and sweat in candlelight before the feasting begins. Some even believe that a fairytale sauna elf, the *saunatonttu*, guards the peaceful atmosphere and punishes those who misbehave.

But this year, few Finns got to enjoy their pre-Christmas detox. Even though many saunas are no longer heated with gas, "electricity is so much more expensive now", says Anni Sinnemäki, Helsinki's deputy mayor. "Some people might have [a sauna] on Christmas Eve but they won't have used it on the Saturday before and the Saturday before that."

For Helsinki, and other European cities, this festive season has been darker and colder as citizens hunker down amid the continent's worst energy crisis for decades. Across the Finnish capital, Christmas lights have been switched on for limited periods and thermostats in municipal buildings have been turned down to 20C – the lowest recommended temperature for public spaces.

Football pitches that are usually defrosted throughout the winter have been allowed to freeze over, while ice rinks will only be used in lower temperatures when ice forms naturally and will be thawed earlier in the spring. At public swimming pools, saunas have either been turned off entirely or only used on a limited basis.

Electricity use was 9 per cent lower in November than the previous year, Sinnemäki says, and if the situation "gets more dire then it might be the case that all the saunas are turned off".

Pressure on European energy supplies was hugely exacerbated in February by dramatic cuts to the flow of pipe-

"We have to keep on saving energy," says Ursula von der Leyen, president of the European Commission



line gas from Russia to the EU – a retaliation for western sanctions and support for Ukraine following the invasion.

Prices across the bloc have been sky high, even if they have come down since a sharp rise in August. Entire swaths of industry – notably steel and chemical manufacturers – have cut production, while governments have poured more than €700bn into subsidies and financial support, according to the Brussels-based think-tank Bruegel. Data from Eurostat show that household gas bills dramatically increased in almost all of the EU's 27 member states in the first half of the year with some, such as Estonia and Bulgaria, showing more than double last year's cost.

Helsinki is one of the EU's coldest capitals, but its citizens are not alone in their efforts to save energy – and costs.

"It is good that we are saving energy, and we have to keep on saving energy," Ursula von der Leyen, European Commission president, said in a speech this month as she warned that next year could be even harder than the last.

Many Europeans have embraced that message, turning off lights and cutting heating not only in the face of sky-high bills but also as a symbolic notion of support for Ukraine.

"Everyone is talking about energy costs and comparing energy bills and that brings people together," says Elisabetha Cornago, senior research fellow in energy at the Centre for European Reform. "Citizens want to see businesses, shops, and public entities save energy just as they are doing at home."

The question, she adds, remains if and how long that sense of solidarity can last.

A continental cold front

On one of the coldest nights in December, residents and local dignitaries gathered at a chilly 1900s theatre in the south of Brussels talk about energy usage and demonstrate how community spirit has been galvanised in an effort to bring down bills.

The local commune – equivalent to a town council – has installed solar panels on the roof of a nearby school and share whatever energy is not used by the students with the neighbouring streets. At the meeting they explain the project and speak to the audience huddled on red velvet seats about how they can save on their bills.

"[Residents] will pay 5 cents per kilowatt hour instead of 17 cents," explains Audrey Lhoest, alderman in charge of climate and energy for the municipality

'Everyone is talking about energy costs and comparing energy bills and that brings people together'

Below: a family in their home sauna in western Finland. Finns are limiting use of saunas amid the energy crunch — Olivier Morin/AFIP/Getty Images



peratures below zero degrees. But Lhoest is even worried about middle-income earners who have not benefited from government support.

"You also have people who receive a good salary for whom it is not so easy to pay these kind of bills," she says, adding that people are resorting to "old-fashioned ways" such as hot water bottles to avoid turning on the heating.

The trend is apparent across Europe. Despite a mild winter, sales of thermal underwear are up as is candle consumption, which had already jumped more than 12 per cent year-on-year during the pandemic, according to the European Candle Manufacturers Association.

"It's a well-known phenomenon in times of crisis. People spend more time at home and want to have it comfortable, a cocooning effect," says Stefan Thomann, ECMA's technical director.

Broad estimates for the reduction in gas use across Europe hover at around 15 per cent in the second half of this year, in line with a commitment by EU governments in July to voluntarily cut demand by that amount. Much of the savings have come from "demand destruction" among industrial users that have shut down production but that should not negate household and community efforts, says Henning Gloystein, director of energy, climate and resources at Eurasia Group.

Even if consumer demand is "super volatile across Europe, depending almost entirely on the weather," he says, "the heating of households and small businesses is the biggest part of gas consumption each winter and if we can't solve that we are screwed."

In Germany, which received more than half of its gas from Russia in 2021, a concerted government campaign to cut energy consumption has filtered down through city authorities. Lights in public buildings have been dimmed, temperatures in sports facilities lowered to 17C, hot water has been switched off in public buildings and reduced heating of municipal buildings in major cities.

Parents in Munich have voiced concern about the wellbeing of their children because of competitive measures between schools to encourage energy savings and the country's famed lack of

a speed limit has become a matter of national debate. UB, the German environment agency, stated that temporary speed measures could cut road traffic energy use by up to 9 per cent but only the Evangelical Church of Germany has so far applied a voluntary speed limit to its vehicle fleet.

In France, where the situation is made more challenging by the closure of almost half of its nuclear power fleet for maintenance, monuments such as the Eiffel Tower and the Palace of Versailles now stand in darkness for most of the night and the shop windows of luxury stores belonging to the LVMH conglomerate, including Louis Vuitton on the Champs Elysees, are now dimmed from around 10pm.

The skating rink at the Christmas market in Valencia, Spain, has been made with a slippery synthetic rather than ice that requires cooling, while the mayor's office says it expects that more than double the number of people will visit the city's "energy offices" to seek advice on cutting consumption this year compared to last.

Lights at Vienna's sparkling Christmas market have also been cut from 660 hours over the season to 364 hours, reducing electricity use by 45 per cent.

In Emilia-Romagna, families have cut back on their Christmas meals or come up with cold options to save cooking time. Anna Rita Fabbri, a grandmother from the region, says that she and her husband have "never-ending discussions about who forgot to turn off the lights" and stay mostly in the kitchen, the only room kept "constantly warm because of my cooking".

Even in the UK, which has its own source of gas in the North Sea, its energy companies have joined a scheme offering incentives to encourage companies to run washing machines, for example, at off-peak times.

Return to the bad old days

For some, the energy crisis has prompted innovation and a sense of resilient wartime spirit. But for others, particularly in eastern Europe, it hearkens to a darker past.

Louisa Slavkova, executive director at the Bulgarian civic education organisation Sofia Platform, says that in post-Soviet countries, many are used to making savings. "Electricity shortages and scheduled blackouts are part of the living memories of many generations of Bulgarians – this was what the '80s looked like," she says. "I remember our parents would burn ethanol in a small

square and cut back on illuminations in the Polish city of Wrocław provoked fury from locals and forced a U-turn.

Eastern Europe "is particularly exposed," notes the Centre for European Reform's Cornago. Not only are per capita incomes lower, but the climate is also harsher than in many parts of the EU and the region has been far more dependent on Russian gas. There is a cultural dimension too.

"In western Europe, trying to save is seen as a badge of honour. In my 'green' bubble, people boast about how they are controlling the temperature or taking a colder shower," she says. "In eastern Europe, they see that there has been a positive evolution in comfort and being able to afford a certain standard of living and making these sacrifices is a signal of going back [wards]."

How long citizens are prepared to put up with even self-enforced privations is likely also to depend on how chilly the winter gets. During the cold snap in

Above: Osterby, a village in Germany, allows residents to text a number to switch on street lights if they need to go out, one of a range of energy-saving measures being enacted in communities across Europe; below: a snow-covered neighbourhood in Warsaw. If winter is cold and long-lasting there could be power cuts across swaths of Europe — dpa/STV/NaPhoto via Getty Images

wards across the city from the now darkened Gothic cathedral.

"The lights are lower this year and heaters have been banned, leaving a rush of festive shoppers – happy to be able to return to a Christmas market after two years of Covid restrictions – stamping in the cold."

Rodney Ramz, who has run the Old Town section of the market since 2008, says you "can hear people from all nations" and that even though Cologne has cut back, energy saving is not what people want during the season of plenty. "People are looking for something when they come to a Christmas market ... They want to escape and come into a fairytale situation."

Changing the level of the lights is more about signalling good will, he adds. "Journalists were going out and saying, 'What can we do as a nation?' And there was a question of whether it was appropriate to have a Christmas market and we had to answer that in the summer."

Almost drowned out by the hustle of the Cologne market, Ramz says that after the pandemic, the energy crisis is just one more thing to deal with: "We have become specialists in all different public situations."

But at a school in Berlin, teacher Michael Böker believes that changed behaviours could remain entrenched as children, already attuned to the onset of climate change from social media, take notice: "Energy saving is always a good idea to save the planet, and it's not that way only because of the energy crisis."

Böker has run an after-school programme on energy savings for several years at the Friedensburg-Oberschule, but says this year more children signed up for it than normal: "It is a moment."

Students have been measuring the power output of 20-year-old projectors and requesting their teachers replace them with newer, more efficient ones. Böker also lets them take the power meters home to show their parents. "The children in school will be a little bit worried about [climate change] but they also see that everyone is driving a car as normal, everyone is flying as normal and the adults don't want to change their habits. It is something they are keen to discuss," he says. "It is their future."

Gloystein, of Eurasia Group, says he is "absolutely certain that this crisis will lead to a strong and permanent energy consumption drop". The precedent is Japan, where the Fukushima nuclear crisis 11 years ago has prompted a lasting reduction of more than a fifth of the



'Energy saving is always a good idea to save the planet, and it's not that way only because of the energy crisis'

early December, energy usage in German households, which are representative of many across north-west Europe, was up 11.8 per cent on the previous week, according to German government figures, but still down 5.2 per cent on the average use during the same week in the past four years, many of which have been milder.

And the worst of the cold, dry weather – known in German as *dunkelflaute* – could be over. The Copernicus Climate Change Service, which provides seasonal forecasts for Europe, said that between December and February there was "higher than usual risk of cold outbreaks in the early part of the period" but that later the likelihood was for milder, wetter weather.

"It is when it is cold but not windy weather, those are the days we are trying to avoid," says Helsinki's Sinnemäki.

Moment for change

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A new era: the end of cheap money

Higher interest rates will bring casualties but also opportunity

The era of ultra-low interest rates and quantitative easing died in 2022, with the arrival of high inflation. This transformation has, for now, upended prior assumptions about markets and the economy. Central banks will no longer come to the rescue of damaged markets. As Sam Bankman-Fried of FTX has learnt, hawking speculative assets is no longer a sure road to riches. This is a new world. The question, as we go into 2023, is how long it will last.

The proximate cause of this upheaval is the unexpected surge in inflation. All important central banks, with the notable exception of the Bank of Japan, have rapidly tightened monetary policy over the past 12 months: the Federal Reserve has raised the federal funds rate by 4.25 percentage points, to a level last seen

in early December 2007; the Bank of England has raised rates by 3.25 percentage points to a level last exceeded in November 2008; and the European Central Bank has raised rates by 2.5 percentage points to a level last seen in December 2008.

Bond yields have also risen. Since the end of December 2021, yields on 10-year gilts have jumped more than 2.6 percentage points, on German Bunds 2.2 percentage points and on US Treasuries 2.3 percentage points. Rates are low by longer-term standards. But US yields have not been this high since early 2011. Real rates have jumped too. Over the past year, the yield on inflation-protected 10-year US Treasuries has gone from minus 1 to more than plus 1.5 per cent.

Inevitably, higher rates have destabilised asset prices. Stock markets were notably volatile, ending the year well below peaks, though hardly cheap. Bitcoin fell from \$65,000 in late 2021 to about \$16,600 now. Crashes reveal what

the economist JK Galbraith called the "bezzle". This one has already revealed the ills of FTX.

The new year will be one of uncertainty. Beyond those of geopolitics and energy, the biggest doubts concern the future of inflation and monetary policy. If inflation quickly subsides, monetary policy is likely to ease in the important jurisdictions before the end of the year. If it does not, it will not. So long as this uncertainty remains, so must that over the outlook for monetary policy.

Higher interest rates will bring casualties, as debt becomes costlier. Given the uncertainty, market turmoil is also likely to continue. The combination is likely to shake out overbought assets and increase defaults. If rates rise further, defaults will become more likely. That will not just be in developing and emerging economies, where distress is already visible. Highly leveraged ventures will be under pressure in high-income countries, too. The Austrian economist Joseph Schumpeter argued that

If central banks tighten further, defaults will become more likely. That will not just be in developing and emerging economies, where distress is already visible

recessions caused "creative destruction". Expensive money will at least do the needed job of reminding everybody that leverage is never a one-way bet.

A longer-term uncertainty is over whether the era of free money is going through a temporary interruption or if it is ending for good. Some, notably Charles Goodhart and Manoj Pradhan, in *The Great Demographic Reversal*, argue that demographic forces will mean higher inflation and higher interest rates over the long term. Against this, Olivier Blanchard, former chief economist of the IMF, insists the forces that have generated low real interest rates on safe assets go will continue to dominate, once the inflationary shock is over.

We do not yet know who will prove right. The speed with which inflation subsides and how high real interest rates will then shape how different the future will be from the pre-inflationary past. Today, however, is a time of dearer money and risk repricing. That offers peril and opportunity.

Opinion Investments

Asset managers, please spare us your polyexcuses

FT Magazine/Dreamstime



Stuart Kirk

When I worked for a top English asset manager in the 1990s, if our performance was suffering, we would fly clients to London with their spouses and put them up in a flat we owned overlooking the Thames. It used to be home to George Bernard Shaw. The view didn't suck. A couple of nice dinners and a West End show later, I don't recall ever losing an account.

Those days are gone – and with them, options to soothe angry clients. Hence what has arisen instead is a world-leading industry in the manufacturing of excuses. Simply no one knows how to avoid blame like a portfolio manager. I would go as far as to say it is their main job. Given the vast majority underperform their benchmarks, shifting fault is paramount, shifting fault is the only game in town.

Given the vast majority underperform their benchmarks, shifting fault is the only game in town

And the more money lost, the better the excuses need to be. This year, with many down a quarter, half and even more in the case of technology funds, how on earth was the industry going to pass the buck this time?

The usual suspects – an irrational Federal Reserve, murky Chinese politics, idiot retail investors – wasn't going to cut it. Bingot A polycrisis. You could hear the spasms of joy across the investment world when this idea started to gain currency in the summer. We're saved!

Because you see, dear client, a polycrisis is not like the usual crises you pay us to navigate on your behalf. Oh no. This one has come out of the blue and is bigger than anything any human has ever seen in history – multiple crises igniting each other in a firestorm of risk. Just ask Larry Summers. If he reckons a polycrisis is here, how can you possibly fire us for losing money?

Clients the world over will soon be

reveals a woeful reluctance to take responsibility for poor returns, not to mention a laziness of mind that you don't want applied to your portfolio on a daily basis.

I have run money through many crises – from Japanese banking collapses, dot.com bursts, Asian contagions and the "end of capitalism" in 2008 to eurozone near-deaths, Donald Trump, Gulf wars and pandemics. They are always the worst ever. Helps sell newspapers or broker research, alright. And let's be honest, we all want to feel significant – that we're living through exceptionally important times. But please end these free passes for the managers of our money. No more polyexcuses.

When the wibbling starts, therefore, raise your hand and ask the following questions. First, why were you happy to own US equities in January when they were trading on 23 times earnings, almost a third higher than the hundred-year average? Shut up about Russia for a second. Why Tesla at 190 times, Amazon at 45 times? Nasdaq was still above 40 times.

How could you have possibly justified those valuations? And why didn't you sell as soon as the technology bubble started to burst? Why?

And give it a rest on inflation. I don't care that you thought it was transitory like everyone else.

At the end of a decades-long bull market in fixed income, what I want to know is why you had large portions of my portfolio in government bonds when they were barely yielding me a positive nominal yield, let alone a real one. The expected return on the asset class at the start of the year was *de minimis*. You lost me 20 per cent. What were you thinking?

Chinese politics or the state of democracy in America also have nothing to do with the surging prices of energy assets that you failed to purchase throughout the year. Exxon's share price has doubled.

Letters

Licensing overseas museums to buy British art is misguided

The National Portrait Gallery should be congratulated on its valiant attempt to acquire Sir Joshua Reynolds' culturally significant masterpiece "Portrait of Omai" ("Museum bid to keep Reynolds masterpiece in UK dealt blow", Report, December 17).

Omai was first blocked from export following a 2002 recommendation by the Reviewing Committee on the Export of Works of Art (RCEWA). On that occasion Tate Britain raised the necessary funds to acquire the painting, but the owner,

unconventionally, refused to accept the matching offer. Having subsequently been on loan to the National Gallery of Ireland, in 2012 an application was made to extend a temporary licence. Ed (now Lord) Vaizey, then minister of state at the Department for Digital, Culture, Media & Sport, refused, saying "Omai is an outstanding work of art which has already spent more than five years overseas and I do not want to see the regime being undermined by repeated use of temporary licences". Now, once more, a permanent

licence is being sought. The government has rightly backed keeping Omai in the UK. But at the same time it "is considering licensing reforms to permit museums overseas to acquire more major British artworks".

Lord Parkinson, parliamentary under-secretary of state at DCMS is suggesting a change to the rules so that an application for export by an overseas institution, where the public would be able to enjoy the object, should be seen as preferable to "taxpayer money being spent to stop

them all from leaving the UK". American and other private buyers, often eventual donors to museums, would be entitled to cry foul.

The government should think again. Does it want to go down as the one that, finally, opened the floodgates for our cultural inheritance to be irrevocably raided? There are many across the globe who are ready and waiting. This must not be allowed to happen.

Martin P Levy
Member of the RCEWA, 1997-2007,
London SW1, UK

Climate activists are going to need 'a bigger boat'

The excellent letter from Patricia Finney ("It's simple physics and chemistry – climate change will kill us all", December 17) will hopefully give readers of the FT in high places pause for thought.

There are two points I wish to clarify. First, she states "scientists have been warning about it for 30 years". Sadly, the warnings go back to the 1950s. Through the 70s UK civil servants and scientists became steadily more concerned (see Jon Agar's *Future Getting Worse: The UK Government's Early Response to Anthropogenic Climate Change*, 2015).

Finally, in 1980 they briefed prime minister Margaret Thatcher, who replied incredulously: "Are you telling me I should worry about the weather?" (see John Campbell's *Margaret Thatcher: Iron Lady Vol 2*)

Second, Finney argues that "nothing else has worked, not petitions, not marches". Agreed. But what hasn't been tried, or tried repeatedly and reflexively enough, is the building of coalitions between workers, environmentalists, the young, pensioners, academics that can resist the lure of repeated feel-good mobilisations and also the dangers of being brought inside government and corporate tents for feel-good do-nothing roundtables and consultations.

Just Stop Oil has, I would guess, around 1,000 activists. The UK has a population of over 65m. In the words of the police chief in the film *Jaws*: "We're going to need a bigger boat."

Marc Hudson
Stone, Staffordshire, UK

The NHS is ruing the Wantless warnings

As well as improvements in management ("An exhausted NHS limps towards its high noon", Opinion, December 17), higher priority should be given to preventing illness and supporting people to use services wisely. Health policy has for too long focused on increasing supply and neglected the demand side. Unless more is done to reduce the burden of illness and intervene early when people require care, hospitals will struggle to cope.

Twenty years ago, Derek Wansford advised the then Labour government of the need to "fully engage" the public in making healthy choices and playing a bigger part in managing their medical conditions. He counselled that if this



One of seven: 'The Sunflowers' in the Van Gogh Museum in Amsterdam

Argentina cynicism shoots down its football euphoria

Lucinda Elliott seemingly depicts a reality which is simply non-existent, one in which Argentines are victims of the illusion that winning the football World Cup can dispel their country's deep-rooted troubles (Outlook, December 22).

Quite the contrary. No matter how proud of the team's performance on the field and desirous to see the same values and principles that turned a dream into reality applied to the government, Lionel Messi's compatriots were already conscious that – as the Radio Mitre anchor said on Sunday morning – "this afternoon we may well be the best of the world, but tomorrow morning Argentina will be the same disaster."

Protected by a thick layer of history-grounded cynicism (the previous triumph in 1986 coincided with 90 per cent inflation and did nothing to prevent a further acceleration to more than 3,000 per cent in 1989), Argentines are proving perfectly capable of resisting attempts to hijack the triumph of Messi & co for political purposes. As for Elliott's difficulty "as a Brit" to find a parallel to the Buenos Aires scenes, may that simply be due to the fact that England has not had anything to celebrate since 1966?

Andreas Goldstein
Paris, France

How estate agent inspired The Hitchhiker's Guide

Had Ella Risbridger (House & Home, December 17) visited Islington estate

My supermarket schlockd off mincemeat at 4p a jar!

Tim Harford's Brexit cupboard storage article ("Storage is one of the least sexy words around. That's a problem", Spectrum, FT Weekend, December 10) dovetailed nicely with Kate Burgess's piece in FT Money on "lock-up and leave" investment opinion (December 10).

It is of course all about economics. I am now reaping the benefits of a decision by my local supermarket last year not to stock jars of mincemeat once the Christmas period was over, even though the shelf life of the product was given as 2024. They schlocked them off at 4p a jar! My cupboard has been full for a year, but now they beat the cost of living increases in mince pies for me.

Amanda Nicholls
London E17, UK

Pacan to FT Weekend's triumvirate of illustrators

I thought it was time to write in praise of three regular illustrators who for many years have brightened the FT Weekend: James Ferguson with his fresh, almost alive, watercolours of the guest for Lunch with the FT; Joe Cummings with his carefully polished caricatures of the Person in the News and Jonathan McHugh with his inventive collages for the opinion piece – always a pleasure to see their work.

Michael Carter
Shrewsbury, Shropshire, UK

Muddled musings on Tate Modern's Cézanne show

Janan Ganesh writes good articles, but in "How the humanities lost their prestige" (Opinion, November 19), he has lost the plot. He writes about the Cézanne exhibition at Tate Modern, and wonders why the curator's captions question the colonial context of the painter's work. Ganesh asks why EY, the sponsor, did not press for an editor (!).

Humanities have been crucial in developing a critical view of the past and present. Knowledge has increased dramatically in different fields, contributing to (and being influenced by) social and natural sciences.

Interdisciplinarity has never been so significant, UK universities attract a significant number of international students for these reasons. To reduce all this creativity to "wokery" (a term Ganesh doesn't define, but which is probably equivalent to political correctness) is pure laziness.

'Talk of a masculinity crisis' is unhelpful

Stephen Bush discusses books about "the masculinity crisis" (Life & Arts, November 19). It was ever thus. This "crisis" has been going on forever, as far as I can tell. It is a peculiar reluctance to understand masculinity as something that is always evolving and always troubled to some degree, just as femininity is. Instead, each generation declares a "crisis". I used to see newspaper articles about the "crisis" in masculinity, but quickly ran out of space.

Men, like women, struggle with identity, relationships and social roles but can come through these struggles stronger – just like women can. There are times of accelerated transition, but continual talk of "crisis" is inaccurate, disempowering and unhelpful.

Most men welcomed #MeToo with open arms and are horrified at some of the behaviours of their fellow men.

Problems? Yes, we have plenty of those, but we also have solutions. Crisis? No, apart from the unstoppable deluge of books declaring one.

Brendan Kelly
Professor of Psychiatry, Trinity College
Dublin, Ireland

Far from wrong, your tally of 'Sunflowers' is spot on

Regarding the charge of philistinism against your columnist for his comment on the climate activist's assault on the National Gallery's "Sunflowers" – that "there are four similar ones in other museums" – I may have missed something here – but, of the original seven painted in vases that Van Gogh painted, five are indeed in museums – in London, Amsterdam, Philadelphia, Munich and Tokyo. Of the other two: one was destroyed in Tokyo in a second world war air raid and the other is in a very private collection. None of which excuses the potential damaging of museum artworks in the pursuit of a case, however noble (Letters, December 17).

Phil Grabsky
Director, Exhibition on Screen:
Sunflowers, Brighton, UK

Delicious Swiss wine, but you won't find it in Migros

Swiss wine connoisseurs would agree with Janis Robinson's assessment of Chasselas vines (December 17). However, Migros, the Swiss supermarket chain, has never sold alcohol in their stores. A booze ban has

Opinion

Forecasting the world in 2023

FT writers share their predictions for the new year, from the chances of a lasting ceasefire in Russia's war in Ukraine to the likelihood of Fed interest rate cuts and the future of crypto



Arzyak Ptaszyn

Like many observers, the FT got its biggest call for 2022 wrong. Though we acknowledged it might be wishful thinking, our Europe editor Ben Hall suggested last year there was no rational case for Vladimir Putin to invade Ukraine. Logic, sadly, proved no bar to the Russian leader's calamitous gamble.

If we were hopeful last year that war would be avoided, Tony Barber is pessimistic about the chances of a lasting ceasefire in 2023. And David Sheppard forecasts, on balance, that Europe will experience blackouts as Moscow squeezes natural gas exports. Given mounting concerns, we ask again this year if China will invade Taiwan, adding the possibility of a blockade.

In all, five FT predictions for 2022 missed the mark. We were wrong in calling an end to the "great resignation"; Tesla's shares fell, thanks in part to Elon Musk's Twitter escapades; and the Democrats retained the US Senate. We judged incorrect Clive Cookson's forecast that a more infectious covid variant than omicron would emerge though sub-variants did, and China's reopening has sparked new concerns.

A number of readers beat the FT, with the three highest scores tying on 18 correct answers. Congratulations to the winner, after the tiebreaker, Michael Greason of Toronto. Readers are again invited to submit answers to the 20 questions and tiebreaker below, giving their real name and email.

At a difficult time for many, we wish everyone a Happy New Year. Neil Buckley

Will there be a ceasefire in Russia's war in Ukraine?

No. Conditions for a lasting ceasefire, let alone a formal peace settlement, are unlikely to be met in 2023. Freezing present positions would satisfy neither Russia nor Ukraine. Vladimir Putin's Kremlin would not have broken Ukraine's independence, or even fully control the four regions it "annexed" in September. President Volodymyr Zelenskyy cannot accept a ceasefire leaving Ukraine without the territory lost since Russia's invasion in February, on top of occupied Donbas and Crimea, seized in 2014. Regaining that territory would require weaponry the west seems unwilling to supply. Russia is trying to regroup and is preparing its people for a long war. A continued, grinding conflict is most likely. Tony Barber

Will there be blackouts in Europe?

Yes. It could happen before April if the weather is cold enough, but next winter is the bigger challenge. Though gas storage sites are now close to full, refilling them in the spring will be tough.

In 2022, Russian gas flows were largely intact until June; in 2023 they will be close to zero. Liquefied natural

Will the global temperature temporarily reach the 1.5C warming threshold?

No, but it might as soon as 2024. The planet has already warmed by about 1.1C, comparing average temperatures in 2011-20 with the late 1800s, and by at least 1.2C in recent individual years. With emissions at record levels, scientists put 50:50 odds on temporarily hitting 1.5C in at least one year in 2022-26.

With cooling La Nina weather patterns expected to last into early 2023, forecasters think the whole-year temperature will average 1.2C, but this could change in coming years. One year of 1.5C would not mean the Paris Agreement goal had been breached but would take the world much closer. Pillita Clark

Will the Fed start to cut interest rates?

No. The market expects the Federal Funds rate to peak at 4.9 per cent in the first half of 2023 and then fall to 4.7 per cent in September and 4.4 per cent in December. But the great majority of members of the Open Market Committee believe the rate will end 2023 at 5 per cent, or more. This latter forecast will prove correct. As Fed chair Jay Powell warned in November, "History cautions strongly against prematurely loosening policy. We will stay the course until the job is done." The Fed does not wish to repeat its mistake of complacency. Martin Wolf

Will Rishi Sunak still be UK prime minister by the year-end?

Yes, though looking ever more beleaguered. The prime minister will want to keep going well into 2024 before calling an election but will be threatened by ideologues on the right and by wary backbenchers. His ruthless Conservative party has ditched four prime ministers since the 2016 Brexit vote — two in the past year.

Sunak is a steadier character than Boris Johnson or Liz Truss but his troops, starting likely election defeat in the face, may become even more erratic and politically self-harming. They could hold his leadership below the waterline even if they don't mean to. Miranda Green

Will the ECB use its new backstop to contain the bond spreads of Italy or others?

No. After president Christine Lagarde's recent hawkishness, markets now expect the ECB's end point for rate rises to be higher than expected. Higher rates, a recession and quantitative tightening will add pressure to peripheral bond yields.

Yet the criteria for triggering the specially created Transmission Protection Instrument remain tricky and subjective.

Will Joe Biden stand for president again?

Yes. There is no getting around the president's age; Biden will be 81 by the 2024 election, and 82 when the 2025 inauguration happens. But don't rule out a run just yet. After a bumper year of legislation and a better than expected Democratic performance in the midterms, Biden is probably still the Democrats' best shot at holding on to the White House; vice-president Kamala Harris has struggled to build a profile. That doesn't mean other Democrats aren't exploring the possibility of a 2024 run all the same. Courtney Weaver

Will Donald Trump be indicted?

Yes. There are at least four areas of potential investigative jeopardy for the former president: Trump's attempt to reverse the 2020 election, his retention of classified documents at Mar-a-Lago, his pressure on Georgia officials to find "missing votes" and the fraudulent management of the Trump Organisation. The first two are in the hands of Jack Smith, the special counsel appointed in November, who has subpoenaed officials in seven states. Based on what is already in the public domain, prosecutors in at least one of these investigations are likely to consider there is sufficient evidence for an indictment — which Trump will no doubt deny and contest to trial. Edward Luce

Can China restore economic growth to more than 5 per cent?

Yes. China is facing a bleak ending to 2022; the opening from its "zero-Covid" policy will sadly claim many more lives yet and is overwhelming hospitals, as the pandemic did elsewhere in 2020-21. But a lot can and will change over the course of the year. Once China learns to "live with Covid", economic activity should bounce back strongly. Consumer spending will be energised by a pandemic-fuelled glut in savings and Beijing will launch a stimulus package focused on infrastructure. James Kyngie

Will Beijing invade or blockade Taiwan?

No. Xi Jinping may one day decide to attack or blockade Taiwan — but probably not in 2023. An invasion would be a colossal gamble. If it went wrong, Xi could start a war with the US, lose power and permanently damage China's prospects. A blockade is much more likely: it would put huge pressure on Taiwan to fold, and would dare the US to fire the first shot. But even that would entail huge risks. Xi is unlikely to roll the dice unless convinced Taiwan is permanently slipping from his grasp. Taiwan's 2024 presidential election may be the next crisis point. Gideon Rachman

Will the Erdoğan era come to an

fall in living standards and restrict personal freedoms further. The wild card is whether a jail sentence and political ban handed down this month to his most plausible rival, Istanbul mayor Ekrem İmamoğlu, could create a backlash and boost the opposition. Laura Pitol

Can Japan's yield curve control survive?

Yes. The negative interest rate may go, however, along with more changes like the recent widening of the trading band for ten-year bond yields. From April, there will be a new governor at the Bank of Japan. All the likely candidates, such as Hiroshi Nakaso and Masayoshi Amamiya, are less dovish than Haruhiko Kuroda, the incumbent. The new governor will seek to "normalise" monetary policy, but with the global economy set to struggle, 2023 will be too early to set yields free. Robin Harding

Will the protests in Iran end?

No. The months-long demonstrations by Iranian protesters, many of them women, were triggered by the death of a young woman, Mahsa Amini, in police custody. They have broadened into calls to replace the theocracy with a democratic system. Their scale has ebbed and flowed; if they escalate again the Islamic regime may crack down even harder. But with the economy struggling under western sanctions, the protests have displayed a resilience that underscores the anger and disillusionment of many Iranians. That will ensure that, whatever the authorities do, protests in some form are likely to continue. Andrew England

Will Africa be hit with defaults?

Yes. At a minimum, there will be debt restructurings with haircuts for investors. After big write-offs in Africa 20 years ago, debt has crept up as sovereigns have tapped eurobond markets and borrowed bilaterally. Now, as interest rates rise and economies falter in the aftermath of Covid, debt service payments are becoming unsustainable in some countries. Chad, Ethiopia and Zambia have signed up for the G20 Common Framework for debt-distressed states. Last year, Ghana clinched an IMF bailout as commercial markets closed. It won't be the last. David Pilling

Will the S&P 500 fall by at least 10 per cent?

Yes. We asked this question last year, but it bears repeating. After a dreadful 2022, when US stocks sank around a fifth and bonds took a historic hammering, fund managers are asking if the pain is over. Unlikely. A rapid rise in interest rates has already dealt a blow, but central banks are in no hurry to loosen up, and impending recessions have yet to fully bite into corporate earnings expectations or stock valuations. Katie Martin

Protests in Iran are likely to continue in some form

There could be blackouts in Europe in winter if it's cold enough

Sunak will want to stay on into 2024 before calling a UK election

Will Jamie Dimon announce a successor as CEO of JPMorgan?

Will any of the big streaming platforms sell or merge?

Will the US women retain the football World Cup?

Will the US women retain the football World Cup?

Poll Make your own forecast

Companies & Markets

FINANCIAL TIMES



Unloved lenders Investors wary of Europe's banks despite bumper earnings — COMPANIES

BoJ riddle Something odd is happening in and around Japan's central bank — THE LONG VIEW

Fed officials hope lower profit margins will reduce inflation

• Businesses struggle to lift prices • Services costs still high • More jobs at risk



Shoppers pass a Bloomingdale's store in New York this week at a time when the retail sector's ability to raise prices is reaching a limit — Victor J. Blue/Bloomberg

ANDREW EDGECLIFFE-JOHNSON
NEW YORK
COLBY SMITH — WASHINGTON
Profit margins are sliding across much of corporate America as companies struggle to keep raising prices, cheering central bankers trying to fight soaring inflation but frustrating investors seeking higher returns.
Pre-tax profits for S&P 500 companies hit an all-time high in the second quarter of this year, US Bureau of Economic Analysis data show. They have surged almost 70 per cent since the same period in 2020, fuelled by government stimulus payments designed to boost the spending power of consumers and businesses when Covid-19 hampered the global economy.
However, Wall Street's estimated net profit margin for the index this quarter has fallen to just 11.6 per cent, according to FactSet. That would be down from 11.9 per cent in the third quarter, and 12.4 per cent in the final three months of last year, to the lowest level since the end of 2020.
Analysts have been cutting their earnings forecasts for 2023 and now expect a

further decline. BMO Capital Markets recently predicted a contraction of about 5 per cent from this year, and some strategists have floated the possibility of an "earnings recession".
The Federal Reserve's second-in-command, vice-chair Lael Brainard, has said bringing down "elevated" retail margins — the difference between what an item costs a retailer and what a consumer pays — would help alleviate the price pressures that have forced the central bank to ratchet up interest rates.
Services-related inflation, including costs for dining out, travelling and medical care, remains high and by most estimates is likely to keep price pressures high until at least the end of next year.
But recent data suggest broader inflation might have already peaked, with gains in other sectors offset by the declining costs of energy and items such as clothing, furniture and appliances.
Brian Belski, BMO's chief investment strategist, said it would take "profit margin deterioration" to ultimately bring down consumers' inflation expectations and persuade the Fed to ease up on tightening.

For more than two years, most businesses have responded to the rising costs of supplies, logistics and labour by raising prices. In an earnings announcement in December, for example, cereal maker General Mills noted that it had managed to raise prices by 17 per cent to offset a 6 per cent fall in volumes.
Bob Gangort, chief executive officer of Keurig Dr Pepper, similarly told a recent Bank of America event that despite the soft drinks industry's "aggressive" price increases to protect margins, "consumer elasticities have held up really, really well".
But executives at other companies are warning that their ability to keep raising prices may be reaching a limit. Nike recently reported that it needed to mark down some prices, eroding its margins.
Most Fed officials expect their preferred inflation gauge, the core personal consumption expenditures index, to decline to 3.5 per cent by the end of 2023, down from the 4.8 per cent level forecast for the end of 2022.
Ian Shepherdson, chief US economist at Pantheon Macroeconomics, expects inflation to fall much more than that,

not least because the Fed "underestimates the extent of the disinflationary forces already at work in the economy".
Rather, he expects core PCE inflation to decline below 2 per cent on a year-on-year basis in the second half of 2023, in large part because he expects profit margins to contract rapidly.
Complicating the outlook is the fact that many economists expect a US recession next year as the Fed advances its aggressive campaign to raise interest rates. As of mid-December, most officials expect the US central bank's benchmark rate to peak at more than 5 per cent next year, up from the current target range of 4.25 to 4.50 per cent.
Against a weaker economic backdrop, Tom Porcellio, chief US economist at RBC Capital Markets, warned that companies would try to protect their profit margins by "going after labour", suggesting more job losses than the Fed expects.
According to officials' most recent projections, the median estimate for the unemployment rate is 4.6 per cent, nearly 1 percentage point higher than the current level.

Huawei bullish despite Washington's controls

QIANER LIU — HONG KONG

Huawei has declared it is "business as usual" years after Washington imposed punishing restrictions that created a template for wider export controls on tech shared with Chinese companies.
The Shenzhen-based group said it was forecasting three successive quarters of growth and a flat revenue for 2022. Sales were expected to reach Rmb636.9bn (\$91.8bn) this year, up 0.02 per cent annually.
"In 2022, we successfully pulled ourselves out of crisis mode. US restrictions are now our new normal," said Eric Xu, Huawei's rotating chair, in an annual new year message to employees. Xu said 2023 would be "the first year" for returning to "business as usual", though Washington's export controls on high-end tech are still in place.
Huawei has attempted to explore new markets and businesses since it was hit by the curbs.
The tightened controls forced groups supplying US tech to the group to seek an additional licence from regulators, limiting Huawei's ability to produce cutting-edge phones. After being added to Washington's trade blacklist in 2019, Huawei rapidly lost global and domestic market share of consumer electronics.
This year, it ran out of advanced chips designed in-house, according to the research group Counterpoint.
The US in October introduced new

tech export curbs that more broadly restrict Chinese access to its technology, part of a wider geopolitical confrontation between the superpowers.
To work around the moves, Huawei launched updated phone models using stockpiled chips and licensed parts. It expanded the consumer business into wearables such as smart watches, which require less advanced semiconductors. The pivot to wearables makes it easier for Huawei to source parts domestically. Huawei has been on a quest to find alternatives to US tech, partnering with domestic groups and collaborating with local governments as Beijing works to become technologically self-sufficient.
Xu said the freefall in the consumer devices business had diminished, and the group would concentrate resources on developing products next year.
Income gathered from expanding cloud services and its steady telecoms business also offset the plummeting devices sales, he said.
Another profitable source for Huawei is to levy royalties, especially in 5G-related services, to some of the largest brands, including Apple and Samsung.



Oil & gas

Trader Vitol sells its stake in Russian Arctic development

LESLIE HOOK

Vitol has sold its multibillion-dollar stake in Vostok Oil, the Arctic mega-project backed by Russian president Vladimir Putin, as western energy companies exit investments in the country after the invasion of Ukraine.
Vitol and joint venture partner Mercantile & Maritime sold their 5 per cent stake to Fossil Trading FZCO, a Dubai-based company, the world's largest independent oil trader said yesterday.
The deal, whose size was not disclosed, was agreed in July and finalised this month, Vitol added. Similar transactions have taken place at fire-sale prices as western energy companies divested quickly from Russia. That 5 per cent stake would have been worth at least \$3.5bn before the war.
The Vostok oil and gas project, which spans Siberia and includes a large new oil terminal in the Arctic, was forecast to meet as much as 2 per cent of the world's oil demand once completed.
But its future is now in doubt, as more of Russia's energy sales have shifted to China and India, and western backers pull out of Vostok due to sanctions.

Russia's state-backed oil company Rosneft says the Vostok project is still progressing, and construction on the new Arctic oil terminal started in July.
Rosneft did not immediately respond to requests for comment.
Earlier this year, Trafigura sold its 10 per cent stake in Vostok Oil to Nord Axis Limited, a Hong Kong-registered company, for an undisclosed amount. Other big exits from Russia include BP selling its 19.75 per cent stake in Rosneft in February, three days after Russian troops invaded Ukraine.
Shell exited Russian operations by selling its retail and lubricants business there to Lukoil in May.
Vitol owned 75 per cent of Amur Group, which held a 5 per cent stake in Vostok Oil. The remaining 25 per cent stake in Amur was owned by Mercantile & Maritime, a Singapore-based commodity trader led by Pakistani-born businessman Murtaza Lakhani.
Fossil Trading FZCO was established in April and has business links to Rosneft. It also owns Energopeople, a Swiss-based company set up by Rosneft in 2020 to conduct oil trading.
Additional reporting Anastasia Stognele

Technology. Employment

Bangalore's start-up dream turns sour for fired professionals

Funding drought leads Indian sector to axe 25,000 staff after boom-time recruitment spree

CHLOE CORNISH — MUMBAI
Suraj logged on to the Slack online platform in September at the cryptocurrency start-up where he worked and realised the number of employees in the channel had plummeted. Hours later, he too was abruptly blocked.
"I had been promoted and I was due a hike," said the 40-year-old senior business development executive who lives in India's tech capital Bangalore and asked not to use his real name to avoid damaging future employment chances.
Suraj is one of up to 25,000 people to lose their jobs in India's previously

scene. The country's start-ups raised \$24.7bn in funds from January to November this year, according to data provider Tracxn, a 35 per cent drop compared with the same period the previous year when start-up funding hit record highs.
"Start-ups are taking unit economics more seriously, which has been illustrated through the series of mass layoffs," said Neha Singh, co-founder of Tracxn.
The trend mirrors a wave of tech job cuts around the world, with US giants such as Amazon and Meta among those to downsize in response to a global economic slowdown.
Over the past decade, Silicon Valley groups had ramped up hiring in India, attracted to its surfeit of computer programmers and science graduates, helping to further develop the country's tech

the same time, Xpheno data showed a "52 per cent spike in jobseeker activity" in the IT sector in November, underscoring the mismatch in supply and demand.
The hiring slowdown comes amid mass job cuts by India's best-known start-ups. SoftBank-backed hotel booking group Oyo is cutting 10 per cent of its 3,700 workforce, the company said this month. Tiger Global-backed edtech Byju's, which sponsored the 2022 World Cup, said it would fire 5 per cent of its

50,000 employees. Listed food delivery app Zomato said less than 5 per cent of its workforce had been let go in "performance-based churn". Zomato does not make its employee numbers public.
Some observers blame tech investors such as SoftBank and Tiger Global, which invested heavily in budding Indian companies and encouraged them to spend cash in the search for growth above profits. "I'm sure tech companies across the board overfunded but that's a factor of how much money

they had access to," said Nikhil Kamath, co-founder of fintech lender Zerodha and asset manager True Beacon. "I often blame the venture capital and the PE money because they push a lot of start-ups to spend the money as quickly as they can."
However, demand for developers and software engineers remained high in India, said people in the industry.
For people with experience in tech and product roles, "there's like 10 [companies] waiting to hire them," said Sanjay Swamy, managing partner at Prime Ventures in Bangalore, but he added that those in sales and support staff had a harder time finding new jobs.
"Salary increases have slowed down... but they had got so crazily over-heated," he added.
The booming start-up sector, with nascent companies from online learning

process. Just a year ago, workers at IT outsourcing were negotiating salary rises of 60 to 70 per cent for a lateral job move, according to research by Jefferies. That has now eased to 20 to 30 per cent, the bank has found.
Suraj remarked that a few months back, his LinkedIn feed had been filled with workers complaining about being let go. "Now people are thanking HR for the beautiful onboarding process," he joked, demonstrating how power has swung back to employers.
Meanwhile, hiring in India by Big Tech companies such as Amazon, Apple, Facebook parent Meta, Netflix and Google parent Alphabet has plummeted. There were 9,000 active job postings by these companies in August, Xpheno said. That number is now below 2,000. Amazon has closed several businesses in India in the past few months,



Hot property: demand had soared for experienced workers from IT outsourcing powerhouse Infosys and

COMPANIES & MARKETS

Asset managers need a better script on ESG strategies

The Top Line
Joe Miller



The setting – Marshall, Texas, population 25,000 – was unremarkable. But as a piece of political theatre, this month's seven-hour hearing over the supposed heresies espoused by ESG's corporate cheerleaders would have made the ringleaders of the Salem witch trials proud.

Lone Star state senators, one of whom previously asserted that the "primary driver for global warming is the sun," lined up to excoriate the world's largest asset managers for neglecting their fiduciary duties with "woke" investment decisions, and for using their votes at shareholder meetings to push their purported ecological and social agendas.

These practices represented no less than "existential threats to our economy here in Texas and to the US", said Bob Hall, a Republican lawmaker who has dedicated time to warning about the threat of "electromagnetic pulse weapons". His ESG sentiments

are echoed by GOP counterparts in Washington DC, who have vowed to use their new powers in Congress to hold similar inquests.

Such melodrama may be easy to mock. With ESG being so broadly defined as to be rendered almost meaningless, there is scant evidence to suggest that the trillions of dollars worth of investments under its umbrella have underperformed more traditional assets.

Red herrings abound, including FTX's award of a higher corporate governance score than ExxonMobil by one of hundreds of ESG rating bodies, or Elon Musk's complaint that his electric car company Tesla, downrated largely because of its controversial labour practices, ranks lower than the oil and gas major.

Yet, the tactics and motives of Texas's interrogators notwithstanding, the state's criticism of ESG provided valuable insight.

Beyond the pleasing spectacle of

shibboleths being politely challenged – a refusal to call "engagement" anything other than "voting" – witnesses struggled to reconcile their companies' DAVOS-pleasing statements with their core missions as money managers.

After affirming that BlackRock does "not make any commitments or pledges with our clients money", head of external affairs Dalia Blass did not fully defend a line on the company's website that states its aim in joining an environmental initiative was "to help ensure the world's largest greenhouse gas emitters take necessary action on climate change".

Lori Heinel, global chief investment officer for State Street, testified that her company, which offers passive funds, has "a fiduciary duty to encourage portfolio companies to consider long-term risks".

She went on to say she did not believe that ESG factors per se drive long-term returns and conceded there was not a "formal financial analysis"

On a Texas stage, they struggled to reconcile DAVOS-pleasing statements with their missions as money managers

behind State Street's vote for a racial equity audit at Chevron.

Questioning of a representative for proxy adviser ISS, which expressed regret for recommending that Texas pension funds vote against energy projects, almost descended into farce as the company admitted that some of its proposals were based "on what we are hearing from the marketplace".

Bigger stages await, and plaintiffs' law firms are gearing up for ESG-related litigation in which evidence given at hearings will surely be cited. Rapidly retreating to an ESG strategy focused purely on what Oxford professor Robert Eccles refers to as "managing material risk factors" – rather than loosely-defined ethics – might neutralise some impending attacks even as it upsets progressives. At the very least, it would provide a better script for repeat performances on Capitol Hill.

joemiller@ft.com

Iowa insurer battles to ward off the titans of Wall Street

Spotlight

Anant Bhalla
Chief executive and president, American Equity Investment Life



The man of the moment in private capital is not anywhere near New York City. Rather, Anant Bhalla is based in sleepy West Des Moines, Iowa, running a retirement annuities purveyor that is captivating Wall Street's savviest financiers.

American Equity Investment Life last week rebuffed an unsolicited \$4bn offer from a rival controlled by Paul Singer's Elliott Management, capping a tumultuous year during which Bhalla also antagonised his company's largest shareholder, Canada's Brookfield Asset Management.

Underpinning the boardroom drama is Bhalla's determination to keep AEL, one of the few independent annuities operators left, out of the consolidation sweeping the industry as private equity groups hoover up insurance assets.

The bad blood between Bhalla and Brookfield is a product of a deal that AEL entered into in November with start-up fund manager 26North, founded by the former longtime Apollo Global executive Josh Harris.

Bhalla had first turned to Brookfield in 2020 as it sought a white knight to fend off an earlier hostile bid from Apollo, where Harris worked at the time. Now with the Elliott bid out in the open, AEL and its \$70bn of assets are in the crosshairs as a clutch of Wall Street investment titans circle the company.

Apollo, Brookfield, KKR, Carlyle Group, Ares and Sixth Street are among the many groups that could be bidders in a potentially frenzied auction next year.

"AEL is the last remaining independent/standalone fixed indexed annuities player of scale," Daniel Bergman, an equity analyst at Jefferies, wrote in a recent note to clients. "Our sense is that there continues to be strong demand from alternative asset managers looking to grow in the fixed indexed annuities space."

The looming descent of the Masters of the Universe upon Iowa might sound incongruous, but it would not be an anomaly. Private equity groups that once specialised chiefly in leveraged buyouts have made debt investing the key pillar of their efforts to grow their asset bases to reach trillions of dollars.

Building and acquiring insurance operations has proven to be a preferred method for private equity groups to find steady, permanent capital derived from the premiums

'It's a game of chess – his strategy on paper looks interesting but it is hard to execute'

paid by policyholders, which they then invest in newfangled credit securities before paying out to customers years later.

Bhalla has so far convinced AEL's board and its shareholders that the company can go it alone despite the whirlwind of dealmaking, arguing that he had mastered the financial engineering needed to build a standalone private-equity-style insurer. But his desire to keep AEL independent is set to face its biggest test yet.

"It's a game of chess – his strategy on paper looks interesting but it is hard to execute," said one private equity executive not involved in the bidding.

Bhalla is among those financiers that believe annuity providers need to move beyond vanilla bond investing and plough capital into exotic debt securities, which proponents argue are just as safe while yielding higher returns because they are complex and illiquid.

This is the strategy that was pioneered by Apollo when Harris worked there. It bought a troubled block of annuities from AEL in 2009 that would eventually form the foundation of its Athene annuities business. Apollo's wager was that both annuity sellers and policyholders could benefit if premiums were more aggressively invested.

Bhalla landed the chief executive job at AEL in early 2020 after stints at MetLife and AIG, where he had become a close ally of Peter Hancock, the longtime JP Morgan executive who had taken the helm of the teetering insurer after the financial crisis. At MetLife, Bhalla was heavily involved in separating its retail life insurance business into the publicly traded

Brightbox Financial, where he became finance chief.

"Anant is very smart – I'd describe him as a technician who has good, creative ideas," said the private equity executive. "He's done a fine job. Some people will say he is sometimes a little too smart for his own good and less practical."

Within months of joining AEL, Bhalla's ambition would be tested by unsolicited bids from not just Apollo but also MassMutual. It was at that point he decided to sell a stake of almost a fifth to Brookfield to fend off the suitors.

At the same time, Bhalla unveiled a new strategy he dubbed "AEL 2.0" that he said would boost shareholder returns. Rather than selling out to a private equity group, AEL would contract investment management to managers with specialist expertise. Since then, the company has struck deals with groups including Pretium Partners, Adams Street and Monroe Capital. AEL says nearly a fifth of its assets are now invested in private capital, helping nudge up its annual investment yield to 4.3 per cent, from 4.0 per cent in 2020.

In an interview with the Financial Times after the Elliott bid, Bhalla said this so-called open architecture was "best for policyholders" because it means that assets are managed "based on merit and market opportunities".

Separately, AEL is trying to push further into the reinsurance business to boost equity returns. It is this that appears to have irked Brookfield, which cut a reinsurance deal with AEL when it first acquired its stake. Under that arrangement, Brookfield paid a fee to AEL in exchange for the transfer of billions of dollars of liabilities that Brookfield wanted to invest. The row

Anant Bhalla's desire to keep AEL independent faces its biggest test at a time when he is at odds with his biggest investor, Brookfield

erupted in an unusually dramatic fashion in November, when analysts on an earnings call started peppering Bhalla with questions about why a Brookfield executive on AEL's board had abruptly resigned. Bhalla struggled to answer because he had just found out the securities filing containing the news was made public while the call was in progress.

In a letter explaining the defection from the board, Brookfield's departing board member said there had "been a fundamental change in the strategic direction of AEL".

That strategy change was the new agreement with Harris's 26North, under which the two companies signed up to a reinsurance partnership. AEL also bought a stake in 26North, the size of which has not been disclosed.

Since pulling its representative off AEL's board, Brookfield has demanded that the Iowa company make public the process and terms of the 26North deal. The suggestion is that Bhalla has unwisely partnered in what Brookfield believes is an unproven venture by teaming with Harris.

However, Bhalla recently told investors that the 26North transaction was a sideshow, and that the real reason the parties fell out was because Brookfield had in May acquired a rival insurer and thus become a "direct competitor" of AEL. "You can come to your own conclusions about Brookfield's motivations," he added.

Regardless of who is right, the public boardroom bust-up has put AEL in the spotlight – and into play. On December 8, Elliott's life insurance affiliate Prosperity Group submitted the \$45-a-share offer that has been repeatedly rebuffed by AEL as "opportunistic".

A person involved in the situation said one large private capital manager told Prosperity it was pleased that it had put AEL in play, indicating its own interest in pursuing a bid.

In late November, AEL granted Bhalla 1.2mn new shares that vest at stock prices between \$45 and \$60, an aggregate award that could eventually be worth more than \$70mn. Selling the company at \$45 per share would mean missing out on the full windfall.

Bhalla managed to maintain AEL's independence in 2020 but might find keeping it out of the clutches of a buyer more difficult this time. Brookfield has gone from a white knight to a thorn in his side. In a securities filing last week, Brookfield said it would soon exercise its right to reappoint a director to the board to help AEL evaluate what it described as the "highly credible" offer from Elliott. *Subject: Intrap and Mark Vandeveld in New York*

BUSINESS
WEEK IN REVIEW

Takeovers drop

Global dealmaking suffered a record fall during the second half of this year, as rising interest rates and uncertainty brought a period of frenzied activity to an abrupt close. Mergers and acquisitions worth \$1.4tn were announced during the six months to December, said data provider Refinitiv, down from the \$2.2tn agreed in the first half of 2022. It was the biggest swing, from one six-month period to the next, since records began in 1980. The overall volume of deals globally in 2022 was down 38 per cent from 2021, the largest year-on-year drop since 2001.



Tencent shares ended a three-month rally after Chinese regulators granted new licences for games made by the group, marking the latest sign Beijing was easing its crackdown on the sector.

Mario Greco, pictured right, chief executive of Zurich, one of Europe's biggest insurance companies, warned that cyber attacks – rather than natural catastrophes, which are expected to have cost the sector \$100bn this year – will become "uninsurable" as the disruption from hacks continues to grow.

Goldman Sachs is preparing for a cull of its workforce in the coming weeks, chief executive David Solomon said in a message to 49,000 staff, as the bank looks to reverse a recent expansion drive. The group is considered filing up to 8 per cent of staff, people familiar with its planning have said.

Zurich's boss has warned that cyber attacks are set to become 'uninsurable' as disruption from hacking raids continues to grow

ExxonMobil is suing the EU in a bid to force it to scrap the bloc's new windfall tax on oil groups amid a surge in energy prices following Russia's invasion of Ukraine, arguing Brussels exceeded its legal authority by imposing the levy.

Twitter rival Mastodon has rejected more than five investment offers from Silicon Valley venture capital firms in recent months, as its founder pledged to protect the fast-growing social media platform's non-profit status.

South Korea's chip production fell 15 per cent from a year earlier last month for its biggest drop since the global financial crisis in 2009, reflecting the deepening downturn as chipmakers struggle to clear inventories and inflation saps demand for electronics.

Devin Finzer, chief executive of OpenSea, the world's leading non-fungible token marketplace, sought to distance NFTs from cryptocurrencies as

\$1.4tn	8%
Value of mergers and acquisitions in the six months to December	Share of its 49,000 employees Goldman Sachs is looking to fire

the sector is hit by the knock-on impact of a series of scandals, including the collapse of cryptocurrency exchange FTX.

UK commercial property values and rents are predicted to "tumble off a cliff edge" in the first quarter of 2023, as estate agents warn offices will fare worst as prices fall. A survey of more than 400 commercial agents forecast a 2.9 per cent decrease in

Retail & consumer

Payday for Beckhams of £8.1mn as deals bolster couple's business

SAMUEL AGINI

David and Victoria Beckham paid themselves £8.1mn from their business empire after an increase in revenues and profits driven by a string of commercial deals.

Beckham Brand Holdings, which includes their branding and fashion

ered the managing and licensing the David Beckham business and brand, its investment in Victoria Beckham's loss-making fashion and beauty business, and a stake in the Major League Soccer franchise Inter Miami.

The combination of revenue growth across the pair's businesses and narrowing losses at Victoria Beckham Holding,

cent to £40.9mn and it slashed net losses to £5.8mn from £8.6mn. Despite the increase in sales and a reduction of day-to-day costs, the accounts warned that "further support will be required from its shareholders". Chief executive Marie Leblanc said the business is set to report stronger figures for 2022.

"We have entered a new chapter and



Beckham Brand Holdings posted

nues closely resemble DV Ventures' own as the Victoria Beckham business was treated as "an associate" in the accounts for the holding company.

Despite ending his playing career more than nine years ago, the footballer was one of the faces of the Fifa World Cup, selected as an ambassador by host Qatar. The 2021 numbers do not include

COMPANIES & MARKETS

Europe's banks hope for resurgence after enduring a year of turbulence

Energy crisis and inflation add to investor caution but sector's resilience provides grounds for cheer

STEPHEN MORRIS — BANKING EDITOR

This should have been the year that finally provided some relief to the perennially troubled European banking sector. Instead a war, an energy crisis, recession and runaway inflation conspired to undermine the long-anticipated benefits from the first meaningful interest rate rises in a decade.

As a result, and despite bumper profits across the region, investors have stayed away as pessimism about rising defaults and potential windfall taxes outweighed optimism from higher dividends and buybacks.

"There is still fundamental nervousness about the sector," said Magdalena Stoklosa, an analyst at Morgan Stanley. "There's little faith that banks can rewire, despite the fact that balance sheets are solid, liquid and very well capitalised, and profitability has improved."

Morgan Stanley estimated that European lenders' pre-provision profit will rise 16 per cent in 2022 and another 8 per cent next year. They are forecast to return at least €100bn via dividends and stock buybacks from now until the end of next year, with another €31bn of excess capital to return more or absorb recessionary loan losses.

Long-awaited central bank rate rises have juiced earnings through dramatic increases in net interest income, as the amount charged for loans has risen faster than the rate paid out on deposits.

However, that windfall has caused little change in long-term sentiment. The benchmark index of European banks has fallen 5.8 per cent this year and the comparable UK index rose only 4.5 per cent — both outperformed the broader stock market but, on a five-year basis, they remain down close to 30 per cent.

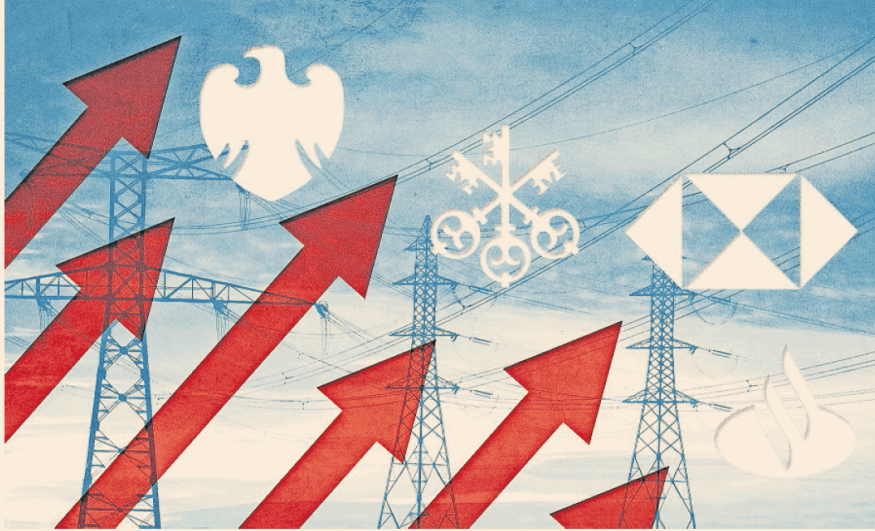
As was true back in 2018 — seen as a post-crisis nadir for the sector — only two of the 20 largest British, French, German, Italian, Spanish, Scandinavian and Swiss banks trade above book value: wealth manager UBS and Sweden's Norddea. But some suggest that the turbulent environment of the past three years should be seen as a stress test rather than a cause for alarm.

"If you had told people we are going to get a war in Ukraine, recession, the LDI pensions blow-up and late-cycle episodes like the collapse of FTX, and European banks would still outperform the market, that is pretty resilient performance after what was thrown at them," said Stuart Graham, co-founder of Autonomous Research.

He added that "2022 has taught us that we need to be humble. It is a 'show me' story to prove banks are cheap. Many investors want to see it before they believe."

Bank executives from Barclays to UBS have been on charm offensives in the US to sell that story, promising higher payouts and strict cost controls. UniCredit's Andrea Orcei has committed to return €16bn of capital to shareholders by 2024 as he seeks to boost the share price and win himself a pay rise.

But the legacy of underperformance since the 2008 crisis has been hard to shake. In May, Capital Group — one of the few investors backing European banks — dumped €7bn of stock after concluding the damage of a recession

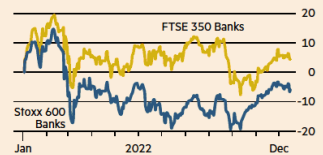


Ready for the rebound:

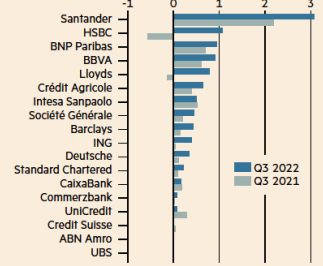
Europe's banks have lifted dividends and buybacks as profits have improved

FT mortgage/Dreamstime

European bank stocks under pressure despite rising rates
Indices rebased to Jan 2022



Loan loss provisions cbn



Source: Refinitiv

"In the last 13 years there has been focus on remediation, restructuring and implementation of regulation. Capital and investment have gone to those rather than innovating and driving growth. . . [this] has left an enduring discount on banks," said Lloyds chief executive Charlie Nunn.

"People look at us as a bellwether for

the UK economy. . . If confidence is rebuilt we will automatically deliver a much stronger share price than we see today," he added. "But there is a nervousness in investors about how financial services will be able to respond."

Those who view 2023 with scepticism point to a likely surge in loan-loss provisions as Britain and the continent head into a cost of living crisis, combined with a surging inflation pressing their cost bases. Additionally, recent signs that global inflation has peaked could mean the pace of rate rises slows.

While in 2021 earnings were given a boost as banks cancelled tens of billions of worst-case coronavirus-related loan provisions, the trend reversed this year. Banco Santander alone has added €7.5bn to its loan-loss reserves so far in 2022, an increase of a quarter from the same period a year earlier.

In the UK, HSBC added \$1.07bn to its impairment reserves in the third quarter and chief executive Noel Quinn told the Financial Times this month he had identified \$1.7bn of extra cost cuts in order to remain on track to hit its target of expenses rising 2 per cent next year.

Kian Abouhossein, head of European banks research at JPMorgan, said "2023 carries higher risk of disappointment versus expectations, especially in a scenario of a worse than expected slowdown". A recession "could lead to a double whammy of fewer rate hikes and asset quality deterioration".

JPMorgan is forecasting €63bn of loan provisions in its base case, rising to €118bn in a "stress scenario". Abouhossein also noted the "curve ball risk" of windfall taxes being imposed by cash-strapped governments, after Spain's decision to raise €3bn from the interest rate-driven profits of its lenders.

Dividend bans by regulators during the pandemic also remain fresh in

'For the last 15 years banks have struggled against a number of headwinds . . . but now the tide has turned'

investor memories, with some concerned central banks will impose fresh restrictions if the outlook darkens.

"Capital returns are key, the problem is that they are not decided by loan-loss models or executives but the view of the supervisor," said Jérôme Legras, head of research at investment group Axiom. The European Central Bank "will keep a very conservative approach. From a supervisory view, there is no downside in being too cautious."

But, years of disappointment have not killed all hope. David Herro, deputy chair of the \$99bn asset manager Harris Associates, has been a longtime owner of top-10 stakes in European banks, including Lloyds, Credit Suisse and BNP Paribas. "The European financial sector is one of the most attractive areas to invest given it is now fully or even over-capitalised, the positive impact of higher rates and the ability to continue to grow lending volumes and fee income," he said. "These should more than make up for the possibility of higher credit costs."

Fears about 1970s-style stagflation have also not yet come to pass. Unemployment remains low, there is little evidence of customer distress and much of the tens of billions in coronavirus-related bad debt reserves remain in reserve, ready to absorb losses.

The trading arms of investment banks such as Barclays, Deutsche Bank and BNP Paribas have seen revenue leap to historic levels as rate rises and geopolitics caused market volatility, which will continue through next year.

"For the last 15 years banks have struggled against a number of headwinds . . . but now the tide has turned," said Rob James, a fund manager at Premier Miton. "While many sectors will find rising interest rates a struggle, banking, for once, is in the sweet spot."

Regulation

US businesses add climate risks to their disclosures

PATRICK TEMPLE-WEST — NEW YORK

At least 10 companies including General Dynamics, Halliburton and EOG Resources have added climate change risks to their regulatory disclosures following demands from the US Securities and Exchange Commission, which could use this information to defend its climate rule in court next year.

In early 2023 the SEC is expected to complete a new rule requiring companies to disclose more information on their vulnerabilities to global warming. Certain emissions information would also need to be added.

An array of opponents have lined up against the rule since the SEC proposed it in March. Companies have warned of exorbitant new costs in complying with climate risk disclosures. Republican state attorneys-general have threatened lawsuits.

As the agency finalises this rule, it has also been quietly stress-testing companies on their current climate risk disclosures. Starting in 2021, the SEC sent letters to dozens of businesses asking for more information on their climate risks. While some companies said their disclosures were appropriate, others said they would add more information.

The Financial Times found new climate risk disclosures from 10 companies. Legal experts say the statements could be used by the SEC in court.

"The fact that SEC staff have been making these comments to companies under existing law can help the agency make clear to courts that its climate rule is an evolution of longstanding securities law, not the revolution those hoping to challenge the rule are trying to claim," said Satyam Khanna, a former agency staffer who worked on climate issues and is now a fellow at the Stanford University Institute for Economic Policy Research.

Halliburton, the oilfield services company, said it would add to its annual regulatory report in 2023 that a transition from fossil fuels posed a risk to the company. "Developments associated with climate change concerns and energy transition" could hurt the company, Halliburton told the SEC in a letter made public in December.

"We believe that one of the significant risks we face in energy transition is that we will be unable to innovate in a timely, cost-efficient manner, or at all," it said.

Other oil and gas companies also disclosed new climate risks after SEC prodding. EOG Resources told the commission it updated its annual regulatory filing to say climate change "may result in negative perceptions of the oil and gas industry" and that could hinder its ability to raise money.

"Do these responses strengthen the SEC's hand [in court]? Yes," said Lee Reitners, policy director at the Duke University Financial Economics Center. He said the SEC was likely to use these climate-related responses in a court fight, "and they would be smart to do that".

Companies outside the oil and gas sector have also updated their climate change risk disclosures. Defence contractor General Dynamics said new laws and regulations for such emissions "could increase environmental compliance expenditures". Railway company Union Pacific added emissions rules to a list of factors that could drive up costs.



Scoreboard

Inside the business of sport

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COMPANIES & MARKETS

Equities. Blockbuster rally

Turkish stocks soar as locals seek to protect their savings



Istanbul exchange up 110% in dollar terms this year amid hunt for refuge from inflation

ADAM SAMSON — LONDON
AYLA JEAN YACKLEY — ISTANBUL

Turkey's stock market posted a blockbuster rally in 2022, making it one of the world's biggest gainers as a painful spell of inflation sent local savers rushing in to equities in search of returns.

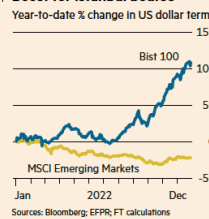
The Bursa Istanbul 100 equities index soared almost 200 per cent this year. Even in US dollar terms, which takes into account the lira's steep fall this year, Turkish stocks have rallied 110 per cent, compared with a fall of 22 per cent for MSCI's broad gauge of emerging market equities.

The largely domestically driven boom in Turkish equities highlights how the government's unorthodox management of the country's \$800bn economy is rippling into asset markets. Inflation reached a high of 85 per cent this year as the country's central bank, which is in effect controlled by Turkish president Recep Tayyip Erdoğan, sharply reduced interest rates at a time when most other countries are raising them.

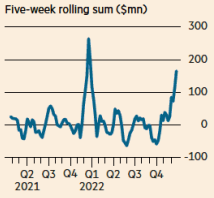
With inflation and a sagging lira rapidly eating away at Turkish residents' purchasing power and the government pushing back against holding foreign currencies, many are betting on the stock market.

"There is a lack of alternatives to make money," said Enver Erkan, chief economist at Tera Securities in Istanbul. "People who want to protect their savings from inflation and to increase the value of their investments in real terms don't have many other places to turn."

Boost for Istanbul bourse



Net flows into Turkish equities funds



Turkey's lira has tumbled 29 per cent against the US dollar this year as the rate cuts have plunged the returns investors can earn on Turkish fixed-income assets deeply into negative territory.

The government has been able to steady the currency in recent months through a series of measures aimed at dissuading people and businesses from holding dollars and launching a large-scale currency intervention ahead of a major election scheduled for next June.

Asset manager Schroders said in a report last month: "The primary driver of the [stock] market performance this year has been high domestic inflation. With interest rates so deeply negative, and government yields unattractive, local investors have been forced into the market to try to protect their savings from rampant inflation."

The number of investors in Turkey's stock market has jumped to 3.8m this month from 2.4m at the end of last year, according to data from Turkey's Central Securities Depository.

"I used to avoid the stock market because it scared me, I looked at it like gambling. I would buy dollars and gold

to protect my savings but, in lira terms, everything is losing value," said Gürsel Arslan, an individual investor. "These days you can make a maximum 2 to 3 per cent interest on a savings account at a bank. But with a nice piece of paper, you can easily make a profit of 25 to 50 per cent in a month."

Arslan still buys gold and silver after taking profits on equity positions but "I never keep it in lira", he said.

The gains have been broad for Turkish equities this year: every stock in the benchmark Bist 100 index, except for two, have posted year-to-date gains, according to Refinitiv data.

Publicly traded Turkish companies have also notched up robust profit growth in 2022, despite the economic headwinds. Earnings per share for Bist 100 companies are forecast to rise more than 200 per cent in 2022 compared with 2021, according to FactSet data. The increases in earnings have helped to restrain valuations on Turkish stocks: the Bist 100 trades at about five times expected earnings over the next year, compared with the 15-year average of eight times, JP Morgan data show.

A street market in Antalya. Inflation that hit 85% this year and a weakening lira have pushed up prices — Diego Cupolito/Photo

Foreign investors, in contrast, have been withdrawing from Turkish markets for the past four years as the lira has tumbled, inflation has soared and concerns have grown about Erdoğan's unconventional economic policies. International investors have also complained that some of the government's policies, including moves to make it difficult to bet against the lira, have made it difficult to hedge their holdings against currency fluctuations.

The share of foreign ownership in Turkey's stock market fell to 29.8 per cent this month, from 65 per cent at the end of 2018, according to Turkey's Investor Relations Society.

There are tentative signs that foreign investors are beginning to at least test the waters after this year's big gains. Turkish equity funds have posted five straight weeks of inflows, bringing in \$165m in new client money over that time, according to data provider EPFR. Erdoğan has said the trickle of foreign money is a vote of confidence in his economic and foreign policies and dismissed concerns among some analysts that Turkey's equity market has become an unsustainable bubble.

"The increasing interest of foreign investors in our country, including our capital markets, is a manifestation of the trust in the Turkish economy and its diplomacy," he told an investors group this month.

Still, Erkan said many foreign investors were delaying their decisions on Turkish stocks. "Foreign investors are waiting for the election. In these economic circumstances, they are not going to increase their presence. They sold their investments because of those circumstances and will wait for them to change after the election." Additional reporting by Kate Duguid

'I used to avoid the stock market because it scared me, I looked at it like gambling'

Fixed Income

Bank of Japan continues run of unscheduled government bond buying

LEO LEWIS — TOKYO

The Bank of Japan continued a run of unscheduled purchases of government bonds, in an attempt to control a surge in yields caused by speculators betting that it will pivot away from its ultra-loose monetary policy.

The BoJ bond buying yesterday marked the third day it has made unscheduled purchase offers, and increased December's buying total to about ¥17tn (\$128bn), according to data compiled by Bloomberg.

The intensifying efforts by the BoJ follow its surprise decision on December 20 to adjust longstanding yield curve control measures.

The BoJ has been the last of the leading central banks to stick to an ultra-loose regime.

That announcement, along with the perceived risk that the BoJ may be preparing for more tightening measures, has caused yields across the curve to rise.

On top of its scheduled daily bond-buying operations targeting the 10-year notes, the central bank's operation yesterday extended the buying offer to bonds of between one and 25-year maturities to a total of ¥1tn.

While the market pounced on the December YCC decision as a signal that the BoJ was preparing a wind-down of

The efforts follow the surprise decision to adjust longstanding yield curve control measures

the YCC regime, the central bank has been adamant that its actions were designed to improve market function and reinforce its easing policies.

But bond traders said that there was a clear contradiction between the BoJ's stated intention of the JGB market, where it is a massive holder of assets, and the new flurry of buying that was such in liquidity but not in price.

The suddenness of the BoJ's December move has prompted speculation that its governor, Haruhiko Kuroda, may have come under pressure from the government to begin a long-term exit from its dovish stance.

As central banks have tightened policy to protect economies from rising inflation, Kuroda has been unwavering in his commitment to holding the course.

The policy helped send the yen to a multi-decade low against the dollar earlier in the year.

Naka Matsuzawa, a strategist at Nomura Securities, said that the BoJ's decision had exposed the contradictions in the normalisation process as it was essentially raising rates and reinforcing quantitative easing at the same time.

He said in a note that in a typical normalisation process, markets expected to see an increase in the median 10-year yield target together with greater flexibility for the monetary base target and a decrease in JGB buying.

However, "the BoJ decided to widen the trading band for 10-year yields, give up on shrinking its balance sheet for now, and keep down market volatility by actually increasing JGB buying. . . There is a good possibility that the market will attack these contradictions in the BoJ's approach", said Matsuzawa. See The Long View

Bullish backers of a 2023 equities bounce shouldn't open the champagne yet

MARKETS INSIGHT

Jennifer Hughes



large-cap stocks, which have borne the brunt of this year's losses.

The bulls have a point since stocks on average gain 20 per cent in the 12 months after hitting a bear market bottom, according to broker LPL Financial. LPL adds that at nearly one year old, the current bear market is now longer than the average post-second world war (11 months).

There are also only four occasions that the S&P 500 has suffered back-to-back calendar year losses in a history stretching back almost a century. But, at the risk of sobering any year-end revels, what if 2023 marks a fifth time unlucky, and this isn't yet the bottom?

things happening in a down market," the entrepreneur added as he predicted a "best guess" of stormy times for another 18 months. It is doubtless particularly easy to be gloomy when your company's stock has plunged more than two-thirds in a year and you're facing a \$44bn bill for the controversial takeover of Twitter.

Still, Musk is far from the only one jittery about the outlook, especially given that central bankers have made clear they will continue to fight inflation with higher interest rates in spite of forecasts for — at best — an economic slowdown. There has been a lot of focus this year on the potential for blow-ups in the bond world, either from heavy borrow-

The uncertainty is reflected in a wide spread of analyst forecasts for 2023. A Reuters poll of 41 predictions at the end of November showed a median expectation of the S&P finishing at 4,200, about 3 per cent above the levels at the time,

History also provides a reminder it can take a long time for equity markets to recover

and up about a tenth from current levels. But the poll also recorded forecasts running almost 20 per cent either side of

Bespoke Investment Group. It has also enjoyed 15 week-close where it has gained at least that much — a frequency not reached since the irrational exuberance of 1999.

Fridays matter because they can set the mood into the next week, barring big weekend events, and because they are typically days for taking profits and trimming risk, not for making bold bets.

History also provides a reminder it can take a long time for equity markets to recover from the sort of blows suffered this year. If the doomsayers are correct, then a gloomy scenario may look more like the dotcom aftermath.

After the bursting of that bubble, it took seven years for the S&P 500 to

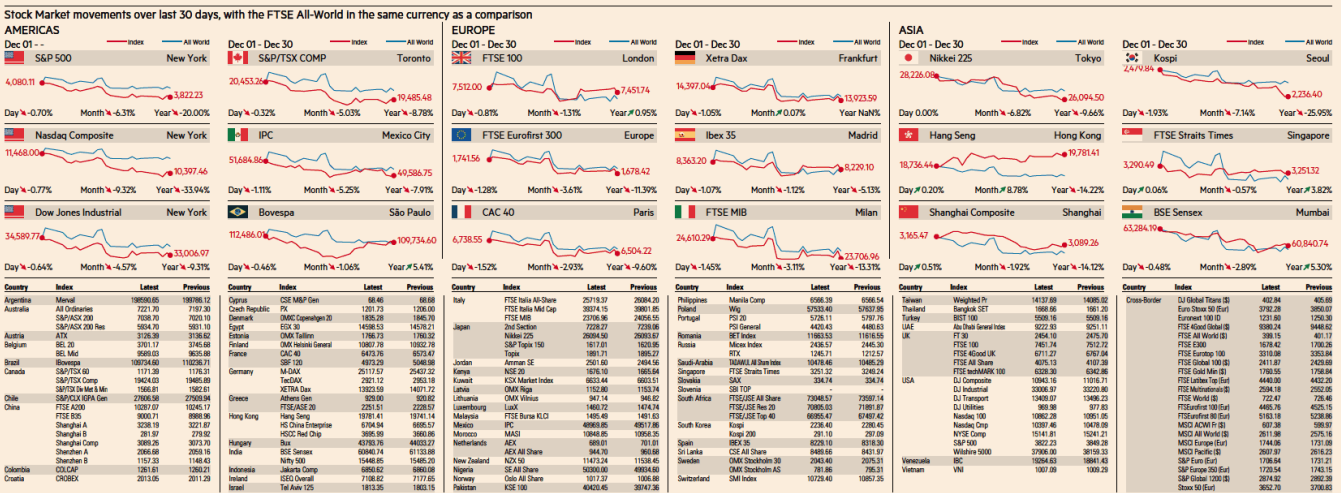
tions to those times? The cyclically adjusted price/earnings ratio, popularised by Yale University's Robert Shiller, is one reputable benchmark. The current P/E ratio for the S&P 500 of 28 is well below the peak of 44 hit in the dotcom bubble madness and has dropped from a peak of 39 a year ago.

However, it is still well above the long-running average for the indicator of just under 17. It is also still above the 24 level of January 11, 2008 before the financial crisis led to a 38 per cent annual drop in the S&P 500.

The optimistic ETF backers may yet have got it right, of course. An end to the war in Ukraine, or a smooth post-pandemic reopening of China's economy,

MARKET DATA

WORLD MARKETS AT A GLANCE



STOCK MARKET: BIGGEST MOVERS

Table listing top performing and declining stocks in the S&P 500, Nasdaq, and Dow Jones indices.

UK MARKET WINNERS AND LOSERS

Table listing top performing and declining UK stocks.

CURRENCIES

Table showing exchange rates for major currencies like the Dollar, Euro, Pound, and Yen.

FTSE 100 INDEX

Table providing detailed data for the FTSE 100 index, including sector performance.

FTSE ACTUARIES SHARE INDICES

Table listing various FTSE Actuarial Share Indices and their performance metrics.

FTSE GLOBAL EQUITY INDEX SERIES

Table listing FTSE Global Equity Index Series and their performance metrics.

FTSE 100 SUMMARY

Table providing a summary of the FTSE 100 index's performance and components.

UK STOCK MARKET TRADING DATA

Table providing trading data for the UK stock market, including volume and value.

UK RIGHTS OFFERS

Table listing UK rights offers and their details.

UK COMPANY RESULTS

Table listing UK company results, including earnings and dividends.

UK RECENT EQUITY ISSUES

Table listing recent equity issues in the UK market.

FTSE SECTORS: LEADERS & LAGGARDS

Table listing FTSE sectors and their performance as leaders and laggards.

FTSE 100 SUMMARY

Table providing a detailed summary of the FTSE 100 index's performance.

UK STOCK MARKET TRADING DATA

Table providing trading data for the UK stock market.

UK RIGHTS OFFERS

Table listing UK rights offers.

UK COMPANY RESULTS

Table listing UK company results.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major UK companies like AstraZeneca, BP, HSBC, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major European companies like ASML, SAP, LVMH, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major Asian companies like Alibaba, Tencent, Microsoft, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major US companies like Amazon, Apple, Google, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major Japanese companies like Toyota, Sony, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major Indian companies like Reliance, Infosys, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major South American companies like Vale, Braskem, etc.

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists major African companies like Anglo American, etc.

FT 500: TOP 20

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists top 20 UK companies.

FT 500: BOTTOM 20

Table with columns: Stock, Price, Chg, High, Low, YTD, P/E, MktCap. Lists bottom 20 UK companies.

BONDS: HIGH-YIELD & EMERGING MARKET

Table with columns: Bond, Price, Chg, High, Low, YTD, P/E, MktCap. Lists high-yield and emerging market bonds.

BONDS: GLOBAL INVESTMENT GRADE

Table with columns: Bond, Price, Chg, High, Low, YTD, P/E, MktCap. Lists global investment grade bonds.

INTEREST RATES: OFFICIAL

Table with columns: Country, Rate, Chg, High, Low, YTD, P/E, MktCap. Lists official interest rates for various countries.

BOND INDICES

Table with columns: Index, Price, Chg, High, Low, YTD, P/E, MktCap. Lists various bond indices.

VOLATILITY INDICES

Table with columns: Index, Price, Chg, High, Low, YTD, P/E, MktCap. Lists volatility indices like VIX, etc.

GILTS UK CASH MARKET

Table with columns: Instrument, Price, Chg, High, Low, YTD, P/E, MktCap. Lists UK gilt and cash market instruments.

INTEREST RATES: MARKET

Table with columns: Instrument, Price, Chg, High, Low, YTD, P/E, MktCap. Lists market interest rates.

BONDS: INDEX-LINKED

Table with columns: Bond, Price, Chg, High, Low, YTD, P/E, MktCap. Lists index-linked bonds.

BONDS: BENCHMARK GOVERNMENT

Table with columns: Bond, Price, Chg, High, Low, YTD, P/E, MktCap. Lists benchmark government bonds.

GILTS UK FTSE ACTUARIES INDEX

Table with columns: Index, Price, Chg, High, Low, YTD, P/E, MktCap. Lists UK FTSE Actuaries Index.

COMMODITIES

Table with columns: Commodity, Price, Chg, High, Low, YTD, P/E, MktCap. Lists various commodities like oil, gold, etc.

BONDS: TEN YEAR GOVT SPREADS

Table with columns: Country, Spread, Chg, High, Low, YTD, P/E, MktCap. Lists ten-year government spreads.

BONDS: EMERGING MARKET

Table with columns: Country, Spread, Chg, High, Low, YTD, P/E, MktCap. Lists emerging market spreads.

GILTS UK FTSE ACTUARIES INDEX

Table with columns: Index, Price, Chg, High, Low, YTD, P/E, MktCap. Lists UK FTSE Actuaries Index.

FINANCIAL TIMES SHARE SERVICE

Main Market

Table with columns: Sector, Stock Name, Price, %Chg, High, Low, Yld, P/E, Div. Includes Aerospace & Defence, Automobiles & Parts, Banks, Chemicals, Consumer Goods, Energy, Financial, Health Care, Industrial, IT, Media, Mining, Pharmaceuticals & Biotech, Retail, Telecom, Utilities, and various international indices.

Table with columns: Sector, Stock Name, Price, %Chg, High, Low, Yld, P/E, Div. Includes Aerospace & Defence, Automobiles & Parts, Banks, Chemicals, Consumer Goods, Energy, Financial, Health Care, Industrial, IT, Media, Mining, Pharmaceuticals & Biotech, Retail, Telecom, Utilities, and various international indices.

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AIM

Table with columns: Sector, Stock Name, Price, %Chg, High, Low, Yld, P/E, Div. Includes Aerospace & Defence, Automobiles & Parts, Banks, Chemicals, Consumer Goods, Energy, Financial, Health Care, Industrial, IT, Media, Mining, Pharmaceuticals & Biotech, Retail, Telecom, Utilities, and various international indices.

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Investment Companies

Table with columns: Sector, Stock Name, Price, %Chg, High, Low, Yld, P/E, Div. Includes various investment companies.

Table with columns: Sector, Stock Name, Price, %Chg, High, Low, Yld, P/E, Div. Includes various investment companies.

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FT Weekend advertisement featuring 'Start your weekend with...' and 'Read things differently with the weekend's clearest view on the world, plus uncover new and noteworthy in art, culture, technology, style and travel.' Includes logos for House+Home, HFSI, Country co-living, and Life+Arts.

Morningstar advertisement with the headline 'Data provided by Morningstar' and 'www.morningstar.co.uk'. Includes a large Morningstar logo and a small image of a person.

FT Weekend

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Lex

Credit Suisse: Ulrich's corner

Save a thought for the downtrodden. Few in banking are more so than Credit Suisse investors. Ulrich Körner is implementing a restructuring to stave off a client exodus and collapse. We applaud the response. But the shares continue to register new lows in its nearly 50 years of public ownership. A few New Year's resolutions might signal to the market a change is near.

Körner should start by creating a more trustworthy institution. Risky decisions by previous executives have sent the bank's reputation up the chimney. Hiving off part of the investment bank as CS First Boston to Michael Klein suggests further conflicts of interest loom. Make the message clearer, Mr Körner. Simplification popped up repeatedly in the strategy presentation in October. Of the \$294bn in risk-weighted assets to squeeze, it is the 60 per cent you are keeping that raises questions. The cat's cradle of interconnections adds confusion: Credit Suisse will sell part, but not all, of the securitised products portfolio. CS First Boston will eventually go independent. Yet a markets division will remain in the core bank to serve wealth management and First Boston. Credit Suisse will retain an as yet undetermined stake in the latter. Fewer internal divisions would make the new proposition easier to understand.

More ambition on the benefits from this latest rejig would instill some optimism. A target of 6 per cent return on tangible equity in 2025 is one of the lowest in European banking. Assume that global interest rates do not pancake down to the near-zero of the recent past. Any net interest income benefits from higher rates plus cost-cutting of 15 per cent could well produce a better result.

Low profitability hints at insufficient organic capital growth to come. Already a \$Fr4bn (\$4bn) capital raising has been approved. The last thing long-suffering shareholders need next year is another one to follow.

Chip demand: the Wei ahead

It has been an unbelievable year for the boss of TSMC. Four years after CC Wei took over as sole chief, the Taiwan chipmaker has broken record after record. The share price has doubled during that time. But Wei will need bold New Year resolutions as he heads into a tough 2023.

Sales have been strong this year. August's \$7.1bn total was yet another monthly record. US export bans imposed on China have bought TSMC more than a decade of time against Chinese peers that had been catching up fast and undercutting prices.

Yet chip demand and prices are highly sensitive to a downturn in the semiconductor cycle or the global economy. Wei cannot expect a repeat in 2023.

Competition poses a bigger challenge. Samsung and Intel are going all in on 2nm technology. TSMC has delayed the launch of its 3nm chips while Samsung already started shipping in July. That could mean a delay for Apple, TSMC's key client. There is little brand loyalty in the chip

CEO resolutions

Twitter/Elon Musk: humble flag



Twitter, as we knew it, is dead. Elon Musk made sure of that when he agreed the acquisition. The provocateur has escaped accountability for his eccentricities by making enough electric cars to please Wall Street. Tesla stock has fallen 51 per cent over 2022. High debt costs mean a Scrooge-like reinvention might be the trick.

Musk's leadership has not been comforting; sudden ejection of staff and messy implementation of a new model to verify users. Twitter is bleeding advertisers and ad revenue. With annual interest expense from debt topping \$1bn, Musk has floated the idea of bankruptcy.

Musk was forced to sell billions in Tesla shares amid their rout to help fund the deal. The enterprise value of Twitter may be less than the \$15bn of

debt it carries. Banks have not been able to sell that debt into the market yet. He admits things are tough. He must co-operate with regulators and win the trust of users and marketers.

The New Year resolution Lex has for Musk is to acknowledge that Twitter's previous management seemed to know at least how to run it. An admission that he needs help would be a good look.

There is the matter of creditors. Several Wall Street banks hold the buyout debt on their balance sheets. Musk should also resolve to negotiate a deal to retire it at a discount.

Investors and media venerate winners. The US likes a comeback story. Musk has his back to the wall with his usual defiance. For his new profile, something more conciliatory is in order.

industry. Staying at the top of the list of customers comes down to one thing: who can ship the most advanced chips.

Another problem comes from inside. The talent shortage at chipmakers has never been more serious. Competitors, especially Chinese companies, have been poaching engineering talent from TSMC for years. Now the talent war is local. Taiwan's MediaTek and United Microelectronics are both planning to hire thousands of employees at home. US-based Micron, Intel and Nvidia as well as chip gear makers ASML and Applied Materials are hiring heavily in Taiwan. Wei will have to pay up to keep talent from leaving.

Warren Buffett's Berkshire Hathaway has chosen TSMC as one of its biggest ever Asian tech investments. The stake has given the stock a boost. But as a 20 per cent drop in BYD shares after Berkshire Hathaway cut its stake shows, that could prove a double-edged sword.

GSK/Walmsley: bite sizing

As any Christmas cook will know, it is not nice when hard work goes unappreciated.

By this reckoning, GSK chief executive Emma Walmsley will be feeling pretty frustrated this festive season. Despite all her labour, the £58bn UK pharma group trades at a one-third discount to the sector.

Walmsley, under pressure from activist Elliott, appears to be working from the right recipe sheet. GSK has spun off its consumer arm, improved its balance sheet and increased

investment in R&D. Earnings guidance has risen twice during 2022, helped by strong sales of shingles vaccine Shingrix. A greater focus on vaccines and HIV medication should achieve profit growth of one-tenth out to 2026.

For the pharma crowd, this is just the trimmings. The meat is the ability to develop new drugs. GSK can point to some success. It plans to launch a jab for respiratory disease RSV next year; assets in late-stage development have doubled. But investors feel GSK's turkey is underdone.

It is late to the party in growth areas of oncology and immunotherapy, where AstraZeneca delivers hit after hit. Trials to treat rheumatoid arthritis and blood cancer have disappointed. GSK might be better off buying platforms rather than trying to build from a subscale base. Walmsley might also ponder the merits of focusing on vaccines. They are a valuable niche after all, where patents do not expire and new entrants struggle.

A greater focus on innovation – organic and acquired – should top Walmsley's list of New Year's resolutions. Confidence in the pharma group's pipeline would narrow the valuation gap.

GSK got an early Christmas present in early December when a US judge threw out a case related to Zantac, a heartburn medication allegedly linked to cancer. From now on GSK should be judged on its ability to deliver new drugs and improve the lives of patients.

Lex on the web
For notes on today's stories go to www.ft.com/lex

Investors will need a closer eye on BoJ with changing of the guard

Leo Lewis

The Long View



With three months left before he is due to step down, Haruhiko Kuroda already holds the record as the longest-serving governor of the Bank of Japan: a mighty tenure of more than 5,500 days. Or, put another way, a long window for the government not to have found a successor.

The yawning, intrigue-scented absence of such anointment so close to the point of handover (there are still thought to be four credible candidates in the running) seems to guarantee Japanese markets, at a minimum, a skittish start to 2023. It is in the nature of markets to test susceptibility and contradiction, and both Japanese government yields and the yen look increasingly like prime gauges of both.

The scale of Japan's impact on global markets, note traders, is often remembered late in any cycle. If, as seems increasingly likely, a new governor begins to steer the BoJ towards a slow normalisation of monetary policy from an epoch of abnormal ultra-looseness, the tremors could be big and global. Investors, without the dependability of Kuroda's stubbornness or of a largely rangebound yen, will need to pay much closer attention to BoJ semiotics than they have needed to in recent years.

The signals are already hard to read. Over the past couple of weeks, markets have seen enough to convince them that something odd is happening in and around the BoJ. On December 20, when the central bank announced it was widening the band that it would allow interest rates on 10-year JGBs to trade under its yield curve control policy, the reaction was profound surprise. Subsequent information has only deepened that.

However strenuously Kuroda insisted the move did not represent any bias towards monetary tightening, it was widely interpreted as a turning point.

Some concluded that the pivot was deliberate, others that it had been an accidental effect of the BoJ trying to calm volatility and cede some much-needed liquidity to a JGB market of which it owns roughly half. But Naka Matsuzawa, senior strategist at Nomura, suggested that Kuroda had "unintentionally opened a Pandora's box" that would ultimately lead to the abandonment of the YCC policy.

Two releases since December 20 have been highly revealing. On December 23, the BoJ published the minutes of its October monetary policy meeting, which was narrowly scored for any hint that the YCC policy adjustment was

Susceptibility to market pressure would be pivotal after a decade of Kuroda's resistance to it as governor in prospect. There was none. Where there was discussion about the negative side-effects of the YCC, noted Kiichi Murashima, economist at Citi, the tone was "languid". Based on those minutes, he added, a reasonable conclusion was that at some point between the October and December meetings, Kuroda came under pressure from the administration of Fumio Kishida, prime minister.

If accurate, the inference that the BoJ is susceptible to outside pressure would muddy the monetary policy outlook: the market must now factor in the agenda of an administration and a leader that have, to date, been unclear on how it will achieve its core policy of delivering a "new capitalism" to Japan. A BoJ susceptibility to market pressure would be pivotal after a decade of Kuroda's resistance to that. As Nomura's Matsuzawa points out, if it is known that the BoJ can suddenly, and without communication, change policy when certain

market conditions (yen weakness, faster Japanese inflation, rising global bond yields) are in place that invites ever fiercer challenges to the YCC policy from speculators.

On December 28, the BoJ released its summary of opinions from the policy meeting earlier in the month – a meeting carried out amid signs of incipient pressure from the Kishida administration for a revision to the decade-old joint accord between the government and BoJ which focuses on achieving a 2 per cent inflation rate. Analysts looking for greater clarity on the debate that preceded the YCC tweak again found little – a signal that could potentially invite speculators to bet that the loosening policy remains unchanged and start pushing the yen lower again.

To some extent, the market knew something like this was coming; given how far the BoJ has pushed its experiment with quantitative and qualitative easing, there was never going to be anything remotely "normal" about its eventual normalisation.

The central challenge for markets heading into 2023, though, will be reading the government's selection of Kuroda's successor – a new governor who must somehow make this process as smooth as possible at a time of a potential global recession, pivotal domestic wage negotiations and the possibility of a China-led inflation rise.

The most plausible way for this to happen is for the new governor's anointment to be presented as an act of unwavering decisiveness by a government that knows what it wants but has the confidence to let the central bank act without any appearance of influence. The fact that several potential names are still floating around provides markets with an unwelcome source of uncertainty at an already fraught time.

leo.lewis@ft.com

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NIKKEI Asia The voice of the Asian century

Horn of Africa suffers worst drought on record

As 2022 comes to a close, the Horn of Africa is experiencing the longest and most severe drought on record. Human-induced global warming, Indian Ocean sea surface temperatures and the La Niña phenomenon have contributed to four poor rain seasons in a row and NASA reported this month that a fifth poor rain season had arrived, based on rainfall estimates for eastern Africa to the end of December.

Dire conditions prevail across most of Somalia, Kenya and northern Ethiopia, leading to food insecurity for an estimated 21.1m people, and in Somalia the drought has forced more than 1.3m to abandon their farms and migrate to displacement sites, agencies reported.

Life & Arts

SUPPLEMENT OF THE YEAR



Key of life Rediscovering the joys and rewards of piano practice — PAGE 4

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‘We will rebuild everything’

Ukrainian writer *Oleksandr Mykhed* tells the story of two scientists caught up in the war and reflects on its agonising impact on his homeland

Early February 2022. In the city of M in the south of Ukraine, the threat is palpable — it looks like Russia will escalate the hybrid war, which is in its eighth year already. It is probable that the Russian occupiers will try to cut through the Donbas-Crimea land corridor and seize new territories. And it will definitely happen here.

V and his wife N, both 44, are scientists who have devoted their entire lives to the study of fish. They decide, just in case, to pack an emergency suitcase, and now, every morning when they go to work, they take documents, laptops and their savings with them.

They decide to send V's 70-year-old mother to Kyiv. Their 19-year-old son also lives in the capital. At least he and his grandmother will be safe. After all, if Russia attacks, it will never dare to strike Kyiv. This would be madness, a destructive anachronism that is impossible to imagine.

V and N devise a plan of where, if necessary, they will have to evacuate to. It is two weeks before the invasion.

As I am writing this essay, the 10th month of the full-scale war with Russia is passing and the bloody year of 2022 is coming to an end. Since the invasion, I have answered the question "How are you?" hundreds of times. And dozens of times I have been asked: "How did the war change your life?" When people ask something, they expect to hear

Illustrations by Jena Polosina
Translation by Marina Gibson

February 24. V and N's house is not far from the military airport. The couple wake up to the sound of rockets. N says the words that at that moment resounded throughout the country: "It has begun." V goes out on to the porch and sees five rockets cutting through the sky and flying towards the airport.

The occupying forces are advancing rapidly. Ten hours after the start of the invasion, they are already 100 kilometres from the city of M.

V calls his son in Kyiv, who says Russian rockets hit the capital as well. An hour later, N unties their four-year-old shepherd dog, which they affectionately call Ice Cream, asks their neighbours to look after it and gives them the house keys. Deep in their souls, they believe that they will return in a few days.

V and N get into the car. All they have are the essentials: the things they are



used to having with them at all times — documents, laptops and savings. One last look in the rear-view mirror. In addition to the beloved house, built with their own hands, it reflects something that cannot be seen in an ordinary mirror — normal life, dozens of research expeditions to the Sea of Azov and the Black Sea, a happy childhood and youth in the city of M, which in recent years has become better developed and equipped for a comfortable life. With the ice rink, new hospitals, parks, illuminated roads, you couldn't imagine this place in ruins. They are leaving behind two businesses. One is to do with ecological management; the other is a tourist attraction in which they planned next year to open the "Museum of Berries", a place where you could sample every type of berry there is.

The mirror at times shows the future, which used to be so clear but is now completely obscured by the fog of war.

V and N leave for Zaporizhzhia. The next day they will be reunited with their son. And the occupying Russian troops will enter the city of M.

As I am writing this essay, an explosion occurs in Madrid — an envelope sent from an unknown address explodes in the hands of an employee at the Ukrainian embassy. Envelopes with explosive devices are also received by a company that produces weapons for Ukraine, the Spanish prime minister's office, the Spanish defence ministry, the Torrejón de Ardoz Air Base and the US embassy in Madrid.

Three days later, the Ukrainian embassies in Hungary, the Netherlands, Poland, Croatia and Italy report receiving blood-stained packages containing gouged animal eyes.

According to Dmytro Kuleba, Ukraine's foreign minister, Ukrainian embassies have received a total of 31 such letters in 15 countries — with explosives or eyes.

At present it is not known who is behind the parcels. It is known only that this all resembles a badly staged cosplay of "The Godfather". In the same spirit, a European parliament proposal last month to designate the Russian private military company Wagner a terrorist organisation was followed by a widely circulated video of one of the group's associates presenting a violin case containing a sledgehammer smeared with fake blood.

While studying at university, V was

ordinary soldier. His new position, occupation and assignment is "driver". V finds himself in a military unit based on the site of an educational institution. He is settled in barracks converted from a student dormitory. Teachers become soldiers. A new reality begins, in which he and I finally cross paths.

As I am writing this essay, news continues to come from liberated Kherson. More and more evidence is illuminating exactly what the Russian occupation authorities have been doing under the slogan: "Russia is here for ever." According to the Ukrainian authorities, the Russians set up at least 11 places where people were imprisoned, four of which were equipped for torture; approximately 600 people were being held in these torture chambers at any one time and thousands of people passed through.

For four days, Russians stripped the Kherson Art Museum. According to the museum's administration, more than 60 people loaded the paintings on to trucks and sent them to Crimea. The Russians stole eve-

The mirror at times shows the future, which used to be so clear but is now obscured by the fog of war

rything: ancient coins, gold jewellery, Greek amphora, works by western artists and Ukrainian and Russian artists of the 18th and 19th centuries and Soviet times. The works of contemporary artists they left.

This has happened before. In 2014 in occupied Donetsk, Russian-backed separatists turned the Izolyatsia art centre into a prison, and art objects were used as practice targets for shooting. Russia is a country that is terrified of becoming "modern" or "contemporary." It is a country that lives by archaisms, in the holy conviction that it will exist for ever.

One of those imprisoned by the Russian occupiers says that they were held without getting any news. And he survived only on prayers for Ukraine to be given weapons, and prayers for the Ukrainian military.

In early spring I am standing guard at the airport with V. We meet on a piercingly cold dawn. The first bird, V is sung. By their sound and pitch, V

Continued on page 2



Life

Note from the FTW editor



"When I try to comprehend the fate of my friends... I cannot help but think of the biblical story of Job, who lost everything but did not lose his faith." So concludes the Ukrainian writer Oleksandr Mykhed in his second piece for us of the year. His first, delivered in the stunned shock of the first week of war, was rightly full of anger. That still resonates here - and rightly too - but there is also an inspiring note of hope for the coming year. It is one we should all not just cling to but help to sustain.

It is customary in late-December editions to sprinkle light guidance on how to live a better or healthier life in the year ahead. Nadia Beard, another elegiac contributor this year from the Soviet periphery, takes on this ritual magically with her reflection on page 4 on returning to the piano in her early thirties and enrolling at the Tbilisi State Conservatoire. She muses on amateurism, practice, music and much more. If this doesn't make you think of recalibrating your life, then nothing will.

As more practical guides to 2023, our books editors have laid out next year's publishing highlights on pages 10 and 11, and for those with peripatetic ambitions, on page 6 we review an eclectic roster of hotels opening next year. As for seeing in the New Year, we balance our jaunty piece here on life in New York's mocktail set with an ode on page 8 to the French 75, described by our writers as the "world's most elusive cocktail", and with Jancis Robinson's tips on page 9 on bargains in an overpriced wine market. Happy New Year to you all. Normal service resumes next week with the return of HTSL. Thank you as ever for reading us.

Alec Russell

ring the bell outside an innocuous Brooklyn storefront, its windows obscured by frosted glass. The door creaks open and I'm ushered into a crowd of revellers.

As a psychedelic space-rock duo strut their stuff on stage, I sneak past a curtain in the back where a bartender is slinging up spicy margaritas, elderflower-infused champagne cocktails and citrusy spritzers. She tells me that I should start with the No 3: a Cucumber Collins-esque concoction spiced with alpine herbs, flowers and ashwagandha, a purportedly stress-reducing medicinal herb. I oblige.

Spilling my drink, I survey the room: it's just like any other "speakeasy" that I've stumbled into in New York. Except for one glaring detail: it doesn't serve any alcohol.

This stop at Club Curious, a monthly, soon to be weekly, fête put on by booze-free cocktail company Curious Elixirs, is the latest of many in my "sober curious" journey.

My relationship with alcohol has followed a familiar course: college days funneling down cheap beer in the Florida sun, espresso-martini-fuelled nights traversing Manhattan in my early twenties, and a more recent proclivity for mezcal.

I've certainly cut back in recent years, as one does when hangovers begin to feel less like minor inconveniences. I washed my natural wines down with plenty of water and green juice the following morning. But the post-party symptoms few people talk about would be waiting for me nonetheless: anxiety and depression.

What I did know is that I was tired of having them. And, as it turns out, I'm not the only one looking to shake things up. Around 80 per cent of the clientele at Séchey in New York's West Village, the non-alcoholic bottle shop that recently opened its second branch and a speakeasy, don't consider themselves sober, says founder Emily Heintz.

"It's more of a drink-less crowd than a sober crowd," a Séchey retail employee tells me as her colleague pours me a cup of something that looks - and smells - suspiciously like a gin and tonic.

The taste is something new altogether. Mixed in with the bitter tonic is a shot of Bax Botanics' Verbena spirit. It's layered, floral, citrusy and bright. There's thyme, fennel and a long, zesty finish that lingers on the tongue like a little hug. The point isn't to mimic the taste of gin, hence the lack of juniper. This is what's known as an alternative spirit, a grown-up beverage that can hold its own.

For those seeking something closer to the real thing, there is no shortage of curiosities. GINISH, an alcohol-free brand from Copenhagen, distils, steams and extracts its botanicals to create the taste of a classic London dry, and recreates the burning sensation of alcohol by extracting the heat molecules from the shells of chilli seeds.

The multiverse that is non-alcoholic wine is just as fascinating. There are de-alcoholised versions, aka wine that started as wine to begin with, with the alcohol removed after fermentation.

There are also alternative blends, which contain herbs, spices, vinegars and other natural ingredients to mimic the taste of wine - ideal for teetotallers who want to keep things truly zero-proof. Even after the de-alcoholisation process, some buzz-free brands can



The zero per cent party

Tired of hangovers but not a good cocktail, Francesca Friday went on an alcohol-free odyssey through New York's 'sober curious' drinking scene

Hekate, a non-alcoholic bar in New York's East Village - Daily Yafayehov for the FT

still contain up to 0.5 per cent alcohol by volume. Then, of course, there are "functional spirits". These include beverages infused with CBD (cannabidiol), as well as a range of adaptations containing ingredients known as adaptogens, a buzz-boosting, the aforementioned ashwagandha and playing a fun game of "is this actually making me less stressed, or am I just less stressed because I haven't been hungover lately?"

The day after my visit to Club Curious, I was walking my dog past a shop on Bedford Avenue that I must have passed countless times before, but hadn't noticed. It's another booze-free bottle shop, Boisson. I grab a Phony Negroni, my friend asks me if I've ever heard of Absence of Proof.

"Fully enough," I said, "I just got off the phone with her." The "her" in question is Elizabeth Gascoigne, the woman behind the non-alcoholic pop-up bar in New York. Soon, in a sign of how small the sober-curious world is, Absence of Proof will be opening up a residence in the speakeasy below Séchey, every Friday evening in January.

While the world of entrepreneurs in the space is still tight-knit, the scene is attracting partygoers from all ends of the "sober-curious spectrum", says Gascoigne. "Maybe Friday night they went out drinking and on Saturday night they're, like, I don't need to drink tonight whatsoever."

Launching a non-alcoholic bar has attracted its cynics. "You get malicious comments: sometimes a one-liner like 'you're boring' or 'you're lame', and I think, I just kind of have to brush this aside because there's nothing I can do about that," she says.

"We've stabilised to about 100 people per night," says Gascoigne, adding that she has been fielding requests for events in other cities.

Absence of Proof's menu is ever-evolving, with alcohol-free takes on espresso martinis, spicy margaritas, lychee martinis and whiskey sours. No matter what the mocktail, though, a nagging question persists from social media hecklers and the sober curious alike: why would I pay cocktail prices for a drink with no alcohol?

Ticketed events solve that problem for now - patrons pay for the experience of a night out with bottomless mocktails, rather than the drinks themselves.

"We've had Diageo approach us at least four times," says JW, Curious Elixirs' founder, who moonlights at its Brooklyn speakeasy as the resident party purveyor. The multinational

needed him to wear a helmet and not to walk along roadsides that may be mined. This is now a common request for Ukrainian parents to make of their children.

V is proud of his wife N and her steadfastness and ability to support others in need.

I tell V that when a Russian shell destroyed our townhouse in Hostomel, near Kyiv, in the first week of the invasion, I was greatly supported by his words: "We will rebuild everything. We

are young. We have to live on regardless of what happens to us."

N always wanted to have a winter garden with large glass windows. And in this new house, which will have to be built, she and V will create a winter oasis and will be reunited with a dog named Ice Cream.

As I was writing this essay, a dinner with a delegation of famous foreign writers took place. They declared that the purpose of their trip was "to demonstrate support for Ukrainian colleagues."

replied: "Of course it was, but the siege of Sarajevo lasted three years, 10 months, three weeks, and three days. No electricity, no water, no food. And what you have got here cannot be compared with what had happened there."

At times like these, words fail me. It is as if we are invited to participate in a kind of competition, in which we must prove that the Russian invasion is a horror. And it has been that way since 2014. This is a competition in which we should expose our physical and mental wounds, testifying - look, here is our collective trauma.

For professional journalists, this is not the first war they have seen and it won't be the last. However, for us, this is our only life and our only reality. And we keep looking for the answer: how to define genocide? How many people should be killed and tortured?

When I think about V's story, when I try to comprehend the fate of my friends and what happened to us this year, I cannot help but think of the biblical story of Job, who had lost everything, but did not lose his faith. And then I think: if a modern-day Job joined the army, he would have to identify himself over radio or phone with a military call sign. What would it be? At the end of the summer, half an hour before leaving for the east, an urgent order came: immediately submit call lists. V smiles cheerfully. His call sign is Lucky. Lucky guy, V says: "Being happy in the army is cool. I hope this will help me to survive in these conditions." We do too, friend. We do too.

'We will rebuild everything'

Continued from page 1

unerringly distinguishes the types of birds, talks about them. Another time, I ask him if he misses his past life and profession. V says that he constantly talks about this with a friend, another scientist with whom he serves. He says that now there is nothing more important than victory, and first and foremost it is necessary to win, and then everything else will follow.

On the other hand, V says that it is critically important to support scientists - a considerable number of them have gone abroad and are unlikely to return. It is important to continue doing research, because due to the war, environmental data series that Ukrainian scientists have been collecting for 50-60 years have been interrupted.

The real scale of damage from the invasion inflicted on Ukraine's environment will be assessed by researchers at a later date. But it is already clear that almost half of all our national parks and nature reserves have been damaged. And what about our two seas - Azov and Black? What about dozens of rivers? What about fish? Only with time will we also learn about the real crimes of the Russians against ecology.

for the writer continued. Finally the news came that Volodymyr's body had been found in a mass grave in the Izyum forest, among hundreds of other victims. He was buried there in early May; two bullets from a Makarov pistol were found in his body, which had been left in the street for a month after he was shot.

Volodymyr lived in the village with his 14-year-old autistic son and was taking care of his father after a stroke. He kept a diary, which he buried in the garden near the house shortly before the abduction. When the de-occupation of the Kharkiv region began, the diary was literally unearthed by Ukrainian writer Victoria Amelina. It is now being preserved in the Literary Museum in Kharkiv and its contents will soon be published.

This is the history of Ukrainian literature nowadays: when Ukrainian writers look for the bodies of other Ukrainian writers tortured by the Russians. It is when a writer with a shovel digs up the diary of another writer who has been murdered.

In his diary, Volodymyr Vakulenko records our faith, which keeps us going. "However, believe in the Armed Forces of Ukraine. As in God, let Him not be angry with me."

I spent 100 days in the barracks, together with V and other brothers-

Everything was good. Nothing out of the ordinary. I knew from other friends that this was not the case. But that is V and his resilience.

When I speak to V in early December, it turns out that the internet and communications of my brothers-in-arms in the field are better than ours in the historical centre of Kyiv, where blackouts are common. The Russians continue to shell critical infrastructure across the country: they want to leave the civilian population without electricity, without heat, without water.

One day, when V is talking to me, I hear the sound of a projectile from a speaker. The conversation stops for a moment, until it becomes clear that it has missed.

I ask if anything is known about his house and offices in the city of M. Friends and neighbours look after the



As I was writing this essay, a dinner with a delegation of famous foreign writers took place. They declared that the purpose of their trip was "to demonstrate support for Ukrainian colleagues."

Lunch with the FT Anand Giridharadas

'The fascists are better at politics'

Two years after he lambasted hundreds of American directors, the firebrand writer has a new take on political tribalism. Over Kung Pao chicken in New York, he tells Gillian Tett why yelling at the right is a mistake, how the left is failing to connect with middle America – and what his wife taught him about conflict resolution

The first time I encountered Anand Giridharadas, the leftwing American journalist, he seemed to be a potent symbol of America's political tribalism. It was October 2020, and he was participating in a sustainability summit organised by the National Association of Corporate Directors along with Glenn Hubbard, dean of Columbia Business School – and myself.

I had clicked on to Zoom expecting a worthy debate. Not so: as hundreds of American directors looked on, Giridharadas lambasted Hubbard and the audience, accusing them of being so complacent about the world's woes that "a lot of your children and grandchildren do not respect your work".

It made headlines, prompting some directors to "rage-quit" the meeting out of sympathy for Hubbard – and the NACD to later apologise to me (which I found needless and somewhat bizarre, but such is the ideological polarisation in America today).

Now, two long years later, I am sitting in a noisy Chinese restaurant in Midtown Manhattan preparing to meet the firebrand author. But in the intervening years, something rather peculiar has occurred.

Giridharadas shot to fame in left-leaning and youthful circles by writing *Winners Take All*, a bestseller that accused America's elite of using philanthropy as a tool to avoid tackling inequity. His new book, *The Persuaders*, has a very different message: it urges leftwing voters and activists (like him) to stop yelling at opponents. Instead, he now wants the left to "persuade" the people it dislikes to embrace radical ideas – with empathy. Unless the left can do this, he adds, the world will slide deeper into the pit of populism next year.

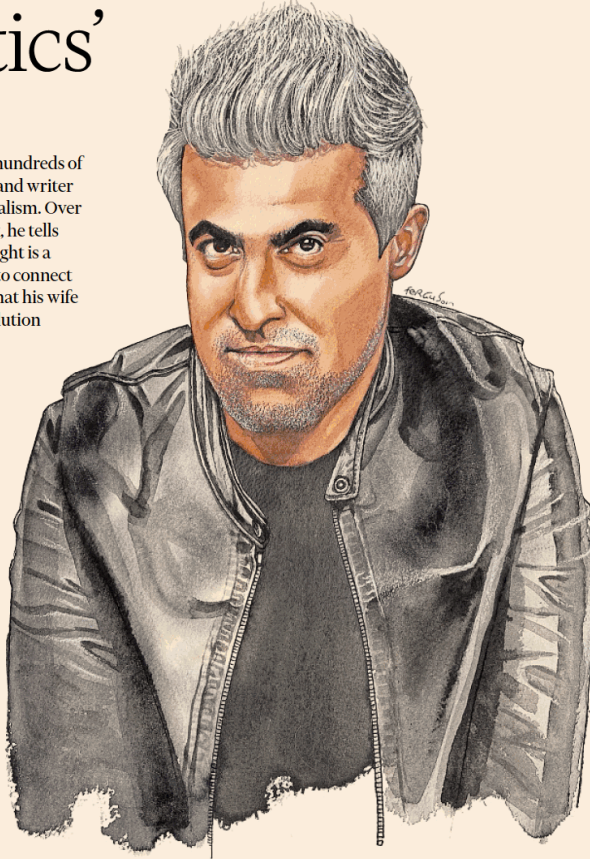
So why has he changed tack? Is his advice remotely feasible in a country where tribalism is so rife that two-thirds of Republicans and only slightly fewer Democrats tell pollsters their opponents are not just ideologically wrong, but morally bad people? And could it help the Democrats win in 2024?

Giridharadas slides quietly into the restaurant, dressed more like a fashion designer than political revolutionary: a coil of elegant, silver-streaked hair, a black leather jacket and trendy black trousers flecked with white dots.

We are ushered to one of the best tables in the house; Giridharadas sits a regular in this Midtown haunt that when his wife gave birth nearby, they ordered its food to celebrate "and they sent along a bottle of champagne. It's one of my favourites," he observes.

Like his jeans, the food comes with a sophisticated twist. Unlike most Chinese restaurants in New York, this one – Café China – serves Sichuan food, from a region famed for its spiciness. "It was created by a husband and wife, but neither had experience in food before," he explains. "They started it as a normally priced Midtown restaurant but then got a call and were told [it] had won a Michelin star. They didn't even know then what it was."

What does he recommend? A waiter points at a QR code. "I hate those," Giridharadas complains; a paper menu is conjured up. "The spicy Kung Pao chicken is amazing – I learn to make it myself in the pandemic when this place was closed and I missed it. The spicy beef is good, and eggplant and garlic sauce and okra and mother-and-father tofu..." He is such a foodie that



CAFÉ CHINA
59 W 37th Street
New York 10018

Poached okra	\$12
Mala daikon	\$10
Husband and Wife special	\$16
Kung Pao chicken	\$18
Braised pork	\$20
Purple rice	\$3
Glass of Sauvignon Blanc	\$12
Glass of Albariño	\$16
Bottle of sparkling water	\$8
Total (inc service)	\$138

New York," he says. One of his children has had lung problems, he explains, so although he normally lives in Brooklyn he and his wife went to the countryside to isolate. He tells me that his wife – like him – comes from a family of Indian immigrants to America, although they met in India many years ago. "It took me years to persuade her to marry me – but I am persistent," he says with a self-deprecating chuckle. "And patient."

What does his wife do? "She is a conflict resolution facilitator."

I laugh – and wonder if this is why Giridharadas has changed tack. He started his career as a reporter at the New York Times. But he was so outspoken in expressing his anger towards Donald Trump and others that he parted company with the paper and became a successful freelance writer and activist instead. "In 2016 [when I was at the NYT] I had several disputes about how to write about Trump... I couldn't use the word demagogue."

"The people making these decisions are trying to defend a certain type of journalism, and I deeply empathise. But the problem is that we live in a moment when there are people devoted to destroying the values on which this journalism was created. So we have to be honest."

So is it your wife who convinced you to embrace persuasion – not fighting? Giridharadas insists they keep their work separate and notes she backs his politics. By European standards, this is fairly standard left-of-centre stuff; he supports, for example, universal healthcare and tax increases for the rich. In today's America, however, these views are reviled as "socialism" or rightwing voices. Hence the conflict at the NACD.

A waiter brings our glasses of wine, and I take a wary sip; the Sauvignon Blanc is crisp and delicious. He sips too, and then admits that during the confinement of Covid he looked closely at what she did in her work – promote reconciliation – and saw its value. This coincided with another crucial, more practical realisation: he reluctantly concluded that the tactics the left had used to press their case look increasingly ineffective against the swelling might of populism.

"We [on the left] tend to miss an emotional and psychological reptilian brain approach to politics." To illustrate his point, he cites the contrast in approach between the leftwing MSNBC television channel (where he is a contributor) and the rightwing channel Fox.

"MSNBC is not the mirror image of Fox – Fox is all about meaning-making. Each week it takes local stories about a real person in their life and blows them up to national news. It can be something like workers getting diversity training in the office, or seeing Spanish-speaking cashiers at the supermarket – it tells the tale about how people feel," he explains. "But MSNBC is national, not local, and it talks about policy, not ordinary people. There is a deficit of meaning-making on the pro-democracy side."

Ironically, one exception to this, he concedes, is the president himself. "I was wrong about Biden before – I underestimated him. Biden is the almost perfect figure to talk to white Americans, men and older Americans about what they are feeling right now – which is fucking confusion." Radicalisation always starts with confusion – the right gets that, but the left doesn't.

Does that imply he thinks Biden can win again against, say, Trump? "If Trump ran against Biden now I don't think he would win. But it is probably 51-49 and that is scary since what is being offered on the other side is a descent into madness."

'I think the children [of America's elite] are turning into the most socialist generation this country has ever produced!'

He is talking with so much passion that his food is largely untouched. But I munch on the okra and daikon with enthusiasm, enjoying the fiery flavours. Giridharadas seems so determined to embrace this new path of "empathy" – and soft persuasion – that I wonder whether he now regrets his furious fight with Hubbard and the other corporate directors in 2020. In retrospect, did it help or harm his cause?

"We need to recognise that you need to speak to people in different ways at different times," he adds. "That day I was playing on a string that corporate directors would care about – their children. They don't really care about redistribution or the fact that the social-mobility ladder has crumbled. But the idea their children might not respect them does tug at their heart."

I agree, and tell him business leaders often tell me that they first began to take note of issues such as climate change or sexual harassment when their own children started yelling at them over the dinner table. "I know – I meet these kids all the time who tell me "my Mom and Dad does this", with big jobs, and then they leak me information. I think that the children [of America's elite] are turning into the most socialist generation this country has ever produced!"

I blink, and ask him to name names; he declines. But I suspect his comment about the "socialist" kids is correct: as a

Pew survey recently showed, some 44 per cent of Americans aged 18-19 have a positive view of socialism, while only 40 per cent say they like capitalism; among the 50-65 cohort the ratio is 62-32 the other way.

A new selection arrives: a sizzling chicken dish and some steaming purple rice that I ordered. He takes a spoonful of chicken but ignores the rice. I press him on the 2020 fight again: does he think this persuaded any corporate directors to change their mind? It seems not; he explains that his angry attacks that day were primarily designed to create noise to spark media coverage of his ideas, not "persuade" others. But then he pauses – mid-bite – and corrects himself. "Oh! But there was Hubbard's book...!"

The book in question is Hubbard's *The Wall and the Bridge*. It was published 15 months after the NACD fight and urges corporate elites to emerge from their cosy, privileged lives and start interacting with the wider world to create businesses that serve all stakeholders.

In 2022 these themes sound almost commonplace, given the rise of the Environmental, Social and Governance movement. But stakeholderism was heresy a couple of decades ago in the Republican circles and corporate world that Hubbard hails from; back then, shareholders reigned supreme.

So what does he make of the fact that some of Hubbard's ideas carry echoes of his – or vice versa? Does this suggest that behind the public, tribal fights, American political adversaries are moving closer – and/or have more in common than we realise?

Giridharadas seems unsure. He is no fan of ESG, since he thinks that this – like philanthropy – is used by elites to prevent structural reform. "A company like BlackRock does not want a world where we take on climate change as we should, so it counter-offers with ESG," he says. "Starbucks and Goldman Sachs talk about narrowing the racial wealth gap – but Goldman helped to cause a financial crisis which destroyed racial wealth and Starbucks has been busting unions!"

It does not sound very conciliatory. But, if you strip out the bitter history and simply look at what Hubbard and Giridharadas are saying today, it seems to me that there is more in common between the men than divides them. It is almost cheering.

A waiter offers dessert. We both decline; my stomach is bursting with the spicy food, and I regret having mixed it with white wine. As we head into the filthy bustle of midtown Manhattan I ask if he would be willing to have a rematch with Hubbard and the directors. Maybe it is time to see if they can find common ground? Maybe with their "socialist" kids?

"Name the date!" Giridharadas says, with relish. I hope he means it; heaven knows America's fractured landscape needs to heal in 2023, or at least become a little less angrily divided.

Gillian Tett is chair of the editorial board and editor-at-large US of the Financial Times

Life



Notes in the key of life

In her early thirties *Nadia Beard* has returned to her first love – the piano – and discovered the joys and rewards of practice, practice, practice

It was on a particularly gloomy night that I remembered I was a pianist. The grounds of the American Academy in Berlin on the shores of Lake Wannsee were dimly lit, the boats of the yacht club bobbing on the inky waters just beyond the glass pavilion of writing studios. A friend and I had come to Berlin to visit another friend, Josh, at the Academy, and it was while we were waiting for him downstairs at the Academy's stately 19th-century villa that I saw the Bösendorfer concert grand in the reception area, folded back its quilted cover and began to play.

That evening surprised all three of us – my two friends because until then they'd only known me as a journalist, and me because of how much music – Handel, some Schumann – my hands had improbably remembered in the decade since I'd last played.

It was on the way to dinner, thinking out loud, that I first voiced my intention to relearn the piano, and perhaps audition for a conservatoire.

The intensity with which I revived piano playing after that night now looks more like a compulsion than a conscious choice, part pact, part punishment to myself for letting something I'd loved drift away from me. After subsequently reorganising my life around relearning the piano and preparing a conservatoire audition programme, it was a relief, a year and half later in the summer of 2020, to receive an email informing me that I'd been accepted for a one-year course at the piano department of Tbilisi Conservatoire.

Like most music colleges, Tbilisi Conservatoire is not in the business of producing amateur musicians, which made my arrival as a 31-year-old journalist a decade out of practice something of an anomaly. The supremacy of the Moscow Conservatory, a piano training behemoth, leaves Tbilisi Conservatoire in a relative obscurity that belies its storied history. But the foothold of legendary Soviet pianists fleeing war and persecution in 20th-century Russia to Georgia has helped forge a piano department that's formidable to this day.

"Why are you doing this?" my piano teacher Manana asked me the first time we met. With most of my conservatoire peers born after 2000, I am by far the oldest of Manana's students and, judging by the prodigiously executed études emanating daily from practice rooms, likely one of the worst.

We were sitting together on a sofa sandwiched between two grand pianos,

lar troika of age, technical limitations and journalism career precluding a second career as a professional pianist, this question, phrased awkwardly in Manana's third language of English, sounded existential. Why was I doing this?

I gave Manana the broad strokes of my interrupted musical life. That from the age of four until 18, when I went to university instead of conservatoire, playing the piano and cello formed the core of my life. That it was at university and then during the early years of my journalism career that music disappeared from my life in much the same way as Mike in Hemingway's *The Sun Also Rises* describes how he arrived at bankruptcy: gradually, and then suddenly. And that it was by accident that I found my way back to the piano.

It took some time before both Manana and I could make out the reason I was asking her to teach me: because I love music.

Music, particularly song, holds a central role in Georgian culture, which has made being a student of music in Tbilisi both fun as well as revealing. To a certain extent, Georgia's varied musical traditions trace the contours of the country's historical tensions: between the preservation of Georgian national customs and the foreign practices imposed by the dominant empire of the era. The endurance of Georgia's famed traditional polyphonic singing, an old form of a cappella thick with plaintive, dissonant harmonies, stands partly as a testament to a stubbornness of identity that has survived Georgia's many invaders.

The piano department of Tbilisi Conservatoire, by contrast, is a direct corollary of Soviet piano pedagogy and the "Russian piano school", an uncomfortable fact in a country to which Russia, then as now, is a looming menace. To visit the small conservatoire museum on the second floor is to see a tribute dedicated largely to the swell of brilliant Russian musicians who performed or taught here: photos of composer Dmitri Shostakovich and pianists Maria Yudina and Sviatoslav Richter, mingling with Georgian pianists, fan across the walls. In the centre of the room is a closed Bechstein piano, which used to belong to Rachmaninov.

"One's ability to master a Chopin étude depends on your behind," Manana told me in a lesson once. This wasn't another Russian proverb I had no idea how to translate; the meaning was more straightforward. "You need to sit at the

Nadia Beard in her flat in Tbilisi, photographed by Natela Grigalashvili

expression – has, combined with her relentless cheerleading, nurtured an increasingly dependable technique undergirded by self-belief.

As musicians, we practise so that, at our instruments, we are free. A great teacher is deliverance.

The problem with the dominant taxonomy for artists – professional or amateur – is not only that it's a reductive binary but that it forces comparison: the amateur becomes less than a professional, amateurism the unsatisfying endpoint of a journey terminated early. How many times I've heard versions of "I knew I'd never become a professional" as the reason for abandoning a cherished pursuit in youth that's later regretted. When we denigrate the amateur, we dismiss the fact that the origin of the word "amateur" is the Latin verb "amare" – to love. Our passions are what make up our inner life, a place of consolation where things of meaning are stored and preserved, ready to be drawn on whenever we want or need them. They should be cultivated at all costs.

For most of us, the choice is not whether to be a professional or an amateur at something. It's whether to be a good amateur or a bad one. The main separating tissue between the two is hard work. Elevating amateurism to an art form raises the bar and makes moments of creativity more accessible. When I play the piano, it's not only an act of delight and self-expression, but of curiosity and stepping into the

unknown. There is a certain amount of mystery in creation: you can never be sure exactly what you'll get. Herein lies the excitement.

Returning to the piano as an adult has doubtless been transformative, but more than that it's been empowering, because it's shown me the limits of talent and the possibilities of discipline. The year that followed that night in Berlin, I practised the piano like my life depended on it. Given how much technique I had lost over the years, I had to, and it was only my obsession with passing the audition that got me into the conservatoire and prepared me for what it would take once I was there. If I had any musical talent when I was a child, it counts for very little now. As Manana often tells me, the quality most valuable to musicians is patience. Acquiring any skill, including music, is a process of making something unattainable feel natural, taking a movement, a language, an instrument, and working on it until your actions mimic instinct.

To do this as an adult takes a lot of focus and time. The rewards, however, are profound, and I've found that there are few greater thrills than hearing a piece of music you love sound from your own hands for the first time.

A friend in Tbilisi likes to tell the story of the first time we met at a media conference in Kazakhstan, and I left a drinks reception early to take two taxis to an Almaty suburb, where a distant acquaintance had agreed to let me practise on her piano. It's amusing and reflects my quasi-obsession with the piano, but it's an accurate picture of what prioritising time to practise and access to a piano – which is what being a good amateur requires – actually looks like. It's often hard, inconvenient and at the partial expense of a social life.

In the novel *Outline* by Rachel Cusk, the narrator recalls a conversation with an acquaintance about making time to write. "You never hear someone say they wanted to have an affair but they couldn't find the time, do you?" he asks the narrator. "No matter how busy you are, no matter how many kids and commitments you have, if there's passion you find the time."

The same can be said for playing an instrument. The two necessary ingredients to learn – time and desire – are linked and they help locate each other. On the way to dinner that night in Berlin, Josh asked me, half in jest, whether there's a shortcut to learning the piano. My answer would still be no, but with hindsight I'd have flipped the question: if what you want is to learn the piano, even minimal time will sculpt the craft. Improvement at playing an instrument is about fine-tuning, refinement. Time is what affords this.

Music conservatoires' *raison d'être* –

porary, Tbilisi Conservatoire is about as traditional as it gets. It's a complaint many in Georgia's small but vibrant contemporary music scene make, but to me it only makes the conservatoire more appealing. The less modernised the institution, the older the knowledge you're receiving tends to be, and there's a certain excitement in the fact that what you're inheriting has been passed across many decades, even centuries.

At its core, the teaching of piano technique at the conservatoire still stems from the conventions developed by the two founding fathers of piano playing – Liszt and Chopin – augmented only by wisdom from the Soviet pianists who came here to teach. My diet of Chopin études, while adding a needed if difficult vein to my studies, has revealed a clarifying truth that's a friend of the amateur: for all music's abstraction, playing an instrument is based on mechanics.

My journey to mastering legato on the piano, while still in progress, is a lesson in technical deconstruction and control. Legato – connecting every note to the next to produce an uninterrupted line of sound – goes against the piano's percussive nature. The moment the hammer strikes the string is the instant the sound begins to die. To sustain it requires careful finger and wrist movements.

It was through teaching me legato that Manana taught me a pianistic principle that just as appropriately applies to life: if something is not as it should be, pay attention to the details. At the piano, change the action even slightly and you alter the sound.

Despite suffering from stage fright, I've come to see performance as a crucial part of playing an instrument, a rare occasion when the boundary between the inner life and the outer world momentarily dissolves. It was in part thanks to Covid restrictions and my subsequent evasion of Manana's student concerts that I went in search of alterna-

It's been empowering, because it's shown me the limits of talent and the possibilities of discipline

tive settings for sharing music, and settled on the home recital.

A few decades ago in Tbilisi, it would have been stranger to find an apartment without a piano than with one, and it's a sign of the decline of amateur music-making that now the inverse is true. It has felt appropriate, then, to revive the home as a setting for performance. The intimacy of the space, the limited audience, and the opportunity for discussion about music have suited my introversion and made the music salons at my apartment one of the highlights of my Tbilisi social life. I would recommend them to anyone learning an instrument.

What to do with limitations is perhaps the greatest challenge for the amateur. Learning Chopin's formidable Ballade in G minor has shown me that, if it might one day be possible for me to play octaves, I suspect I won't ever have the time to make that happen. Searching for freedom in limitation has many precedents, and it's the Oulipo, whose attempts I find the most instructive in my search for utility in my faults.

A collective of experimental French writers, the Oulipo turned to the use of constraints in order, theoretically, to expand creativity. Oulipo member Georges Perec wrote his 300-page novel *A Void* entirely omitting the letter "e". Anne Garréta, one of the collective's few female members, wrote her novella *Sphinx* leaving out any gender markers.

The idea is that, with limits imposed, we can access new areas of freedom. Admittedly, it's harder to find a convincing musical equivalence for this kind of literary bondage. It would be absurd, for example, to play a piece of music omitting the middle "e" note whenever it occurs, or playing without using the left hand. But what might technical limitations reveal to us? An illuminating piece of advice Manana has given me is that difficult passages of music can be eased by playing with musical intention. When I stop thinking about trying to perfect octaves in the Chopin ballade and instead think of the frantic maelstrom they represent, somehow the tricky passages partially resolve themselves. Without technical facility, all that's left is the music, and having to understand its essence in order to express it is, in part, what generates the meaning. To play music well is to understand this, amateur or professional. Musicality isn't a replacement for technique. It is the antidote.

This June in the UK, alongside conductor Matthew Hardy, will be the first time I'll perform outside my home since I was a teenager, and the first time in my life that I'll be playing with an orchestra. Schumann's *Konzertstück Op 92* is a lyrical, billowing piece of music that, containing multitudes in its single movement, has quickly exposed my porous technique. While I'm practising



Can you justify spending \$1,100 on jeans?

Robert Armstrong

Style



The jeans were the colour of the Mediterranean in September, of a star sapphire, of your true love's eyes. The fit was right, too: spacious through the leg without being baggy, just enough rise. The quality of the construction was obvious, the cloth supple and sturdy simultaneously.

I walked out of the changing room and told the salesperson I would take them. I didn't even check the price; I was ready to pay up for perfect jeans. "Great," he said, just as I looked at the tag, \$1,100.

Reader, this is how far I have fallen: I thought about it. But I didn't buy them. The sum is within the limit of my credit card, but far outside of what I could explain to myself, much less to my 15-year-old daughter, who is quick to ask what I paid when I show off a new purchase and has an excellent nose for lies.

Once you tell your children that you have paid \$1,100 for jeans, the right to lecture them about the value of money — that most time-honoured and pleasurable prerogatives of fatherhood — is forfeit. And yet. How much time do we spend in jeans? Is any price too high, if they make you feel like Steve McQueen? How much longer might a pair from 45R — the ultra-high-quality Japanese brand, whose New York store was the site of my brush with insanity — last than a pair of Levi's? These had been soaked for two weeks in natural indigo,

the salesman explained a little guiltily, as he put my pair neatly back into the display. We all pay for pleasure, in any number of forms.

Who is to say, categorically, how much is too much? I have spent more than \$1,100 on a suit. I have paid, without flinching, over \$700 for shoes and may do so again (those Alden long-wings in black cordovan, \$846; my heart goes pitter-pat). I've paid \$750 for a winter coat (it was on sale!) at Paul Stuart. For some reason, though, I can excuse those purchases. Coats and shoes, properly cared for, do last a long time. Suits are really two items, not one, so you can divide the price by two.

Desperate style addicts, struggling to silence the little voice telling them that they have a problem, have an excuse at hand. "Buy quality, buy once," they say, "it's an investment piece." Nice try; it won't do. Yes, you are probably saving money over a lifetime when you go from the \$100 cashmere sweater to the \$400 one, if you shop carefully and care for your clothes. Similarly, the difference between an \$800 department store suit and what you can buy for \$1,600 is immense. But multiply those higher prices by two again and you are not getting twice the quality. Not even close.

No one has ever economised by buying the very best. People who talk about how they have worn their Savile Row suits for 30 years have a closet full of them and rotate. Everything that

is worn wears out.

There are two reasons to buy really good clothes: because they look fantastic, and to show how rich you are, either in money or in culture. Of course, the second reason (which may get a hold of us all at one time or another) is contemptible. But it is wrong to reduce the desire to dress beautifully to a demonstration of status. Dressing well is an art and pastime, and its critics are nothing but cretins and reverse snobs. Good food, good music, good design, the visual arts, sport — all of these things cost money, in one way or another. We should all share more of our superfluous with those who lack necessities. But sorting our pleasures into the shallow and vain on one hand and the deep and sophisticated on the other is, for the most part, an empty and ugly exercise.

That said, even legitimate pleasure can tip over into self-indulgence and selfishness. I cannot justify \$1,100 jeans or, say, a \$9,000 Kilon sports jacket. Simply not having the money makes the decision easy. But more to the point, I could not justify these things even if I had the dough.

There are harder cases. I dream of an Anderson & Sheppard suit, at \$6,000, a \$600 Charvet shirt, and John Lofgren motorcycle boots, at \$1,200. I might enjoy them enough. Or maybe they are just gross. I just don't know where to draw the line.

Robert Armstrong is the FT's US financial commentator

Heading into 2023, the €355bn luxury goods market had reason to celebrate. Covid-19 restrictions had largely eased outside of China, luxury stocks were outperforming the broader equity market for the sixth consecutive year, and shoppers flush with lockdown savings were eager to travel — and dress for it. And they did: after fully recovering from pandemic levels in 2021, sales of luxury goods grew another 15 per cent on a constant currency basis in 2022, according to analysts at Citi and Bain.

But even the remarkably resilient luxury sector is not immune to economic turbulence, and amid the war in Ukraine, rises in energy prices and interest rates, and the threat of recession in the US and Europe, the fizz appears to be coming off the champagne.

A sales slowdown
While the fashion industry is bracing for a small sales contraction next year, analysts expect the luxury goods sector will keep growing — albeit more slowly than last year. How much it grows hinges on the success of China's reopening and the resilience of the US customer. Beijing's decision this week to ease inbound and outbound travel could lead to a sales lift of 6 to 8 per cent next year, according to Bain partner Claudia D'Arpizio, versus an earlier forecast of 3 to 5 per cent. Japan in particular is likely to benefit as Chinese shoppers take advantage of the depressed yen, although the country has said all travellers from China must spend a negative Covid test on arrival, or quarantine for seven days.

Focus on the ultra-wealthy
Although "aspirational" luxury buyers are already cutting back, spending among the wealthiest 2 per cent globally — who together account for 40 per cent of luxury spending — is still strong. Competition for those consumers will heat up next year, with brands investing further in shows, trips and experiences for these clients. Earlier this year, Balenciaga opened a store in Paris for top spenders, while Chanel is planning to do the same in Asia in 2023.

Brace for further price rises
Although the prices of "core" handbags from brands such as Chanel and Louis Vuitton have already increased 20 per cent or more in the past two years,



The Louis Vuitton Maison Champs-Élysées store in Paris — Bloomberg

Luxury loses its fizz

Brands are bracing for a slowdown in 2023 — but China's reopening could offset a US recession. By *Lauren Indvik*

Competition will heat up, with brands investing further in shows, trips and exclusive experiences

Brands are expected to boost prices on those items even further next year — particularly in Europe, where the depressed euro has made luxury goods comparatively cheap. Prices there could rise 15 per cent next year, says Citi luxury analyst Thomas Chauvet. As the price gap between leather goods and watches and jewellery shrinks, consumers may see the value in shifting more of their spending to those items, he adds.

A return to stealth wealth
The resumption of socialising, travel and the office has ushered in a return to dressing up — although categories such as sneakers remain important, especially for younger shoppers who see such items as collectibles.

Logos and other flashy signifiers of wealth vanished during the last economic recession in 2009. The same could happen in 2023, as the post-Covid

euphoria wears off and young consumers push back on celebrities who are flaunting their wealth on social media.

Succession takes shape
Next year will see fresh faces come to the fore, as new creative directors are appointed at Gucci, Louis Vuitton men's and Tom Ford, and family-owned companies hand greater responsibility to the next generation. In December, Antoine Arnault, son of LVMH chair and CEO Bernard Arnault, added CEO of Christian Dior SE to his purview. Meanwhile, Prada appointed Andrea Guerra as group CEO to aid the transition of Lorenzo Bertelli, son of Miuccia Prada and Patrizio Bertelli, to eventual CEO. Burberry's new direction will begin to materialise with Daniel Lee's first collection in February.

Long-term prospects remain bright
While 2023 will be a more challenging year for luxury, long-term prospects are strong. Sales are forecast to increase by 60 per cent by 2050, fuelled by growing numbers of luxury consumers in markets including India, Mexico, South Korea and south-east Asia.



Travel



The hot new hotels of 2023

Preview | From Rome's 'most luxurious hotel ever', to tented suites in Bhutan and Christian Louboutin's Portuguese retreat – Claire Wrathall on the year's big openings

Tel Aviv, Israel

Born in what is now Lviv and trained at the Bauhaus in Weimar, Pinchas Hütt, aka Philip Hutt, became one of the great Modernist architects of Tel Aviv. Among his masterpieces are two houses on Rothschild Boulevard: the Yitzhaki House at nos 89-91 and no 48, which is poised to open as an 11-room hotel, R48. In keeping with the building's clean lines, its pale understated interiors have been furnished by Christian Liaigre and its roof terrace (with pool) and gardens are the work of Piet Oudolf, so aesthetically there shouldn't be anything to fault. The fact that the hoteliers behind it are Ruti and Mati Brodrou's R2M, the partnership behind the city's Hotel Montefiore, suggests its restaurants will be worth a trip too. Due to open on January 15; double rooms from \$1,500 per night; r48.co.il



Huesca, Spain

When it opened in 1928 on the Spanish-French border 1,000 metres above sea level in the Pyrenees, Canfranc International was one of the most grand railway stations in Europe, a Beaux Art palace with a 241-metre facade lit by 565 windows. It closed in 1970, and though it became a place of pilgrimage for railway enthusiasts, it fell into disrepair. This January it gets a new lease of life when it opens as Canfranc Estación, a Royal Hideaway Hotel (named in deference to the fact that the original station was opened by King Alfonso XIII of Spain and the then French president Gaston Doumergue). The former booking hall will become its reception; two historic rail carriages will serve as its restaurants; and the rest of the building will accommodate 104 bedrooms, a swimming pool, spa and library. January 24; from €233; barcelona.com



Sri Lanka

The Dilmath Ceylon Tea Company first ventured into hospitality in 2005 when it founded Resplendent, the company behind Ceylon Tea Trails and Cape Wellama. It's now created another brand, Reverie, which has three openings in prospect. The first two are on the south coast: Ahu Bay stands on Athungalla Point between two sandy coves from which it's safe to swim (not a given in Sri Lanka) and has four ocean-facing suites and three three-bedroom beach villas; while Kayaam House, near Tangalle, has eight rooms and more of an emphasis on yoga, wellness, birdwatching and kayaking, thanks to its proximity to the Rekawa Lagoon. A third property, Kelburne Estate, is expected at the end of the year, a string of cottages amid the tea plantations of Haputale, 1,500 metres up in the southern hill country. February 1; Ahu from \$450; Kayaam from \$700 including all meals, a daily spa treatment and yoga. thereverie.life



it has a contemporary take on a chalet aesthetic – lots of larch, oak, quartzite and slate – indoor and outdoor pools, a spa and an outdoor cinema heated by fire pits. February 1; from CHF700; sixsenses.com

Amsterdam, Netherlands
Just over half an hour by bike (10km) from the Rijksmuseum lies the village of Durgerdam, home to about 430 people and, from the spring, a lakeside gastronomic inn, De Durgerdam. Also accessible from central Amsterdam by private boat (or taxi), the newly restored 17th-century timber-frame building will have 14 rooms designed by the modish Dutch design agency buro Belén and a restaurant, De Mark, helmed by chefs Richard Oostenbrugge and Thomas Groot, whose Amsterdam flagship, 212, has two Michelin stars. March 1; from €250; dedurgerdam.com

Sydney, Australia
Built in 1915 in a style that came to be known locally as Edwardian baroque,

Above (from top): the R48, in a 1950s Bauhaus building in Tel Aviv; Kayaam House in Sri Lanka, which focuses on wellness, birdwatching and kayaking; Six Senses Crans Montana in the Swiss Alps



added a four-storey glass roof extension to what they call its 'Florentine palazzo-style facade', restored the marble that lined its public areas and reinstated its garden courtyard. Its original architect, George McRae, will be remembered in the name of its McRae Bar. March 6; from Aus\$775; capellahotels.com

Palm Springs, California
Converted from a former motel that has stood opposite the Moorten Botanical Garden since 1965, Life House has been "reimagined", says Rami Zeidan, the 54-year-old founder of the boutique US brand of the same name, as though it were the mid-century modern home of "a desert-dwelling botanist", whose "Old Hollywood" type friends drive out for the weekend. The seventh in a burgeoning portfolio of knowingly retro "hotels that tell stories", it will have 66 rooms with mountain views, but its pool bar, cabanas and dining terrace will be where the party is. April; from \$225; life-househotels.com

Rome, Italy
Given the controversy provoked by Fendi's decision to move its headquarters into the Palazzo della Civiltà Italiana, a building that exemplified Mussolini's preferred architectural style, it's brave of Bulgari to be opening a hotel in one of the monumental office blocks on Piazza Augusto Imperatore that II Duce commissioned to flank the circular Mausoleum of Augustus. "Mussolini ordered [...] the location to be adorned with buildings and shrines fitting for the ways of humanity in the year 1940", reads the inscription on the hotel's facade, which is adorned with reliefs of winged victories. Still, there's no denying it's an imposing spot for what Bulgari's CEO, Jean-Christophe Babin, asserts "will be the most luxurious hotel ever built in Rome". Architects Antonio Citterio Patricia Viel have used a lot of red, yellow and green marble in its conversion. Chef Niko Romito will oversee the restaurant. And as befits Bulgaria's heritage, there'll be a library of books on jewellery. Summer; rates not yet set; bulgarishotels.com

Puigpunyent, Mallorca
Twenty minutes by car from Palma, towards the rolling Serra de Tramuntana, Son Net, an estate of olive groves, citrus orchards and vineyards dating back to 1672, has been one of Mallorca's loveliest hotels since it opened in 1998. Last year, Finca Cortesin, one of the finest hotels in Andalucía, bought a substantial stake in it and will relaunch it this spring following a major refurbishment. The coral-coloured facades of the manor house have been carefully restored, as have the original coffered ceilings, but a new 1,000 sq m spa has been added. Interiors have been transformed by the Spanish designer Lorenzo Castillo. May 1; from €792; sonnet.com

Also in the west of the island, closer to the coast, Son Bunyola is another finca due to open this summer, a partly fortified estate dating back to the 13th century that will be part of Virgin's Limited Edition portfolio. August 1; from €600; virginlimitededition.com

Cognac, France
Just west of the centre of the medieval town of Cognac, on the banks of the river Charente, lies La Nauve, a Belle Époque mansion and former distillery turned

Above: Canfranc Estación in Spain, formerly one of the most splendid railway stations in Europe

Below right (from top): Capella Sydney and one of its bedrooms; Son Net in Mallorca, set among olive groves, citrus orchards and vineyards dating back to 1672; Punakha Valley Lodge, on the banks of the Mo Chhu river in Bhutan



Melides, Portugal
A half-hour drive from Comporta, 120km south of Lisbon, brings you to the little beachside village of Melides – Condé Nast Traveler calls it Portugal's answer to Montauk – which has lately become fashionable with architects, artists and designers, among them Philippe Starck, Anselm Kiefer and Christian Louboutin, who will open a 15-room hotel there this summer. Hotel Vermelho – its name translates as red, like the soles of his shoes – has been built by a local architect, Madalena Caiado, and the interiors will reflect Louboutin's own eclectic taste in furniture, art and ceramics. Summer; rates not yet set; vermelhohotel.com

Bhutan
Best known for its lodges and camps across southern Africa, &Beyond is opening its first fully owned and managed property in Asia, Punakha Valley Lodge, which will join Aman Resorts, Como and Six Senses in the lush Punakha Valley. One of the most temperate parts of the Himalayan kingdom, the valley is home to landmarks such as the 17th-century Punakha Dzong, the most splendid of the Himalayan kingdom's fortified monasteries, the towering pagoda-style stupa Khamsum Yulley Namgyal Chorten, and the prayer-flag-lined Punakha suspended footbridge. The lodge stands on the banks of the Mo Chhu river (rafting and kayaking will be offered) and will have just six tented suites and two villas, the latter with plunge pools. September; rates not yet set; andbeyond.com

New York, US
The Surrey has long been an Upper East Side institution, discreet, low key and if not exactly under the radar, never,



despite its excellence, quite the talk of the town. All that is set to change when it reopens as Corinthia New York, named after the Maltese hotel group that will manage it. The 1926 building is now owned by the Reuben Brothers, and its interiors have been redesigned by the supremely sought-after Swedish maximalist Martin Brudnizki (for whom 2023 is going to be a busy year, what with La Fantaisie, which opens in Paris's Faubourg-Montmartre this spring, and the Broadwick Soho due later in the year in London). Its restaurant, formerly the much-loved Café Boulud, will be replaced by an outpost of the also very fine but flashier Miami institution Casa Tua. Winter; rates not yet set; corinthia-group.com

For those who'd prefer to stay downtown, the British hotel group Firdale is opening a third New York property, the Warren Street Hotel in Tribeca, an 11-storey new build with 57 rooms and 12 residences, with floor-to-ceiling windows, many with terraces, and all decorated in Kit Kemp's colourful and distinctive style. September; from US\$925; firdalehotels.com

Palm Beach, US
A century ago, Venetian architecture was all the rage in Palm Beach – Trump's Mar-a-Lago is a case in point – and when the Vineta Hotel, which merits a listing on the National Register of Historic Places, first opened in 1926, it was named the Lido-Venice. Like The Surrey, it too was acquired by the Reuben Brothers last year and is undergoing a revamp by the Parisian decorator Timothée Zervoudachi before relaunching as part of Oetker's Masterpiece Hotels portfolio, the first in the US. Back when it was new, the Palm Beach Daily News judged it "the most attractive [hotel] in the resort community" with "the best buffet table in Palm Beach", two accolades it will surely reclaim. That its pink stucco facade recalls that of its sister property, the Hotel du Cap Eden-Roc on the French Riviera, can't hurt either. Winter; rates not yet set; oetkercollection.com

Indonesia
An hour's flight in a floatplane northeast of Batam island (itself just over an hour by ferry from Singapore), the Pavilions Anambas consists of 22 bankirai-wood villas and residences, some with their own beach, strung across two tiny private islands in the Riau archipelago, which lies between Borneo and the Malay Peninsula in the North Natuna Sea. Such is its remoteness, the hotel is striving for self-sufficiency when it comes to water and energy (there'll be solar panels and step shingled roofs as well as on pontoons), and disposable plastic will be banned to minimise waste, in deference to the pristine and unfrequented dive sites and coral reefs nearby. Winter; from US\$950; pavilionshotels.com

Les Trois-Bassins, La Réunion
Much of it designated a Unesco World Heritage Site, the Réunion National Park covers more than 40 per cent of this lushly verdant, volcanic Indian Ocean island département of France. Even so, tourism is in its infancy and, compared with its smaller neighbour Mauritius, it has few alluring hotels. Next winter's opening of a new 84-room, four-star, Le Wood Hotel & Spa, ought to raise the bar, however. Designed by the French-Mauritian architect Eric Chavoix, who formerly worked for the architect Jean Nouvel, it overlooks the ocean from the grassy black basalt cliffs of Pointe des Diamants on the west coast, close to Saint-Gilles-les-Bains, the closest island has to a resort town. Winter; rates not yet set; woodhotel.re

Cartagena, Colombia
Right on the edge of the city's walled Old Town – a Unesco World Heritage Site – in the neighbourhood of Getsemani (Lonely Planet calls it gritty, but it may not be for long), the forthcoming Four Seasons has been created from a cluster of historic buildings, among them a 16th-century cloister, a Beaux Arts-style masters' club and four theatres. Carefully restored and reconfigured, they have been combined to create a 131-room hotel with six restaurants and bars, one of them serving the rooftop pool, which has views across the Spanish colonial-era heart of the city and towards the Caribbean and Bodeguita Pier, from which boats depart for the Rosario islands. Winter; rates not yet set; fourseasons.com

Tokyo, Japan
Thirty-five years after the company was established, Aman Resorts is launching its first spin-off brand aimed at a younger, marginally less well-heeled crowd who are less concerned with privacy and Zen-like calm and more in search of a scene. The group is planning Janu hotels for Montenegro (2024) and Saudi Arabia (2025), but the first will be Janu Tokyo, occupying floors one to 15

Upper Mustang | *Sophy Roberts* is mesmerised by the Tibetan culture and restoration of Buddhist murals and monuments in the remote Himalayan region

When I was a child, my father, a farmer in Scotland, lent a friend his JCB to help build the foundations for a temple at Kagyu Samye Ling – a Tibetan Buddhist centre founded in the late 1960s in the damp hills north of Lockerbie. I remember our visits well: the pagoda gables glinting in the mist, the monks' carmine robes, the prayer flags and the pine trees along the River Esk.

Something about those encounters must have stuck, including conversations about Tibetan Buddhist settlements in the Himalayas, with one place more evocative than the rest: the kingdom of Lo, now known as Upper Mustang in Nepal, tucked between the Annapurna massif and the Chinese border.

Upper Mustang is about the same size as the English county of Dorset, but like most childish notions, it has always existed as something far larger in my head. It's notoriously awkward to reach, with the main town of Lo Manthang located at 3,800 metres. You need time to acclimatise, and the mountain weather is capricious. In 2012, when construction was completed on the first motorable road built through this remote territory linking China to lowland Nepal, there were concerns the new connectivity would damage Upper Mustang's Tibetan culture. Adventure travellers declared the beginning



of the end of its quasi-mythical allure. Yet the region still remains tinted by its longstanding reputation as a kind of forbidden land. In the 1960s and early '70s, Upper Mustang was the base for a CIA-funded Tibetan guerrilla campaign to push against the Chinese intervention in Tibet. With the geopolitical tension, access to Upper Mustang was restricted for foreigners until 1992, when a new era of controlled tourism was introduced. Then Nepal tumbled into civil war, from 1996 to 2006. Even now you need to sign in and out of the region with Nepali authorities, while a restricted area permit for international travellers costs \$500 for 10 days.

I've tried to get here before, and failed, which is why I've taken the easy route: I've joined a small group tour led by Geographic Expeditions, a San Francisco-based adventure travel company that's been working in Nepal and Tibet for 40 years.

It's wandered various cultural experts, including Vassil Koutsafis, a Greek-American guide who first visited Upper Mustang with the company in 1998; Yangchen Dolker Gurung, a Mustang-born, American-educated academic working in development and cultural conservation; and Dawa Dhondup, a Tibetan painter who also helps take care of Lo Manthang's royal palace (until 2008 when Nepal declared itself a republic, Upper Mustang was presided over by one of the last Himalayan kings, Jigme Dorje Palbar Bista, who died in 2016).

All three have an association with the San Francisco-based American Himalayan Foundation, which since 1996 has been restoring Upper Mustang's Tibetan monasteries under various foreign conservators, including the Italian artist Luigi Fieni, and the British conservation architect John Sanday, who worked with the World Monuments Fund in Cambodia. Next year, the AHF is due to complete its \$3.9m commitment to restore and protect key monuments and Mustang's Buddhist art, which includes conservation of the region's most significant 15th-century wall paintings.

In 2023, the AHF also intends to cede long-term responsibility for the project to a local team of AHF-trained painters



The forbidden land

and funnels through one of the deepest gorges in the world. The narrow alley is scarred by tumbling landslides. Rolling waterfalls fall into the chasm.

The Kali Gandaki River pulses below us in veins of glacial milky blues. In the dry months of winter, this riverbed used to function as a highway for Tibetan salt traders. Now the main trade route through this tight middle of mountains – tourists included – is via the highway, and the short airstrip at Jomsom, which is the trekking capital of Lower Mustang. This is where we wait for security clearance to take the 15-minute helicopter transfer north to Lo Manthang.

The profound difference between Lower and Upper Mustang is revealed from the air. It starts to show around Kagbeni, the border between the two regions, marked by the reddish cube of the Kag Chode Thupten Samphel Ling Monastery. There are no more trees. The road carves up the east side of the river, then crosses to the west, the route's cliffside edges like clay sculpted with a palette knife. Soft rocks are tipped with holy chortens. Rock faces are honeycombed with caves.

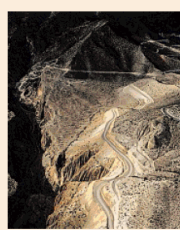
The further north we fly, the more the landscape expands. Sometimes the slopes fold into blackened clefts – a wrinkled land, wincing with exposure. Then up ahead, an ashen plain, and beyond that, a distant rim of peaks – Tibet – under a sky so blue, the salt-white moon looks like a cartoon. We curl in towards a lozenge of bronze fields watered by a bend in the river. The poplar groves form a ring around Lo Manthang, a town of about 200 households, which in Tibetan translates as "The Plain of Aspiration".

The shift in air; the blooming marigolds and cosmos; the starry nights from my bedroom window – this is what I'll remember about the Royal Mustang Resort, rather than the dismal chow mein. I love it. A new hotel built five years ago in the flat-roofed Tibetan style of Lo Manthang's traditional fortress architecture, it's owned and run by the last king's grandson, who eases me past a Tibetan mastiff at the hotel's gate when I go out to explore the town.

The sun falls slantwise through the carless alleys. A woman in Tibetan dress pushes a cow through a street, one hand on the animal's rump, the other hand fingering a string of prayer beads. A

A big opening for 2023

As remote as Mustang might be, it currently finds itself at the centre of much buzz and anticipation in the luxury travel industry thanks to the imminent arrival of a high-end brand from Cambodia, Moksha Mustang, an existing hotel located just above the Jomsom airstrip in Lower Mustang closed last month and will reopen in May 2023 as the 29-suite Shinta Mani Mustang – A Benseley Collection.



From above: monks in Nyiphu during a 'puja'; the Royal Mustang resort; the difference between Lower and Upper Mustang is seen from this green gorge; from left, to this treeless mountain range; monastery painters; and some pigments – *Sophy Roberts*

young man in a tight denim jacket and matching trousers swaggers out of the shadows. With his hustler's gait and cowboy hat, I mark him out as the local big gun, but when we squeeze past each other, I'm ashamed: he walks with a solemn murmur, turning a copper prayer wheel in his hand.

I strike up a conversation with Sonam Gurung, a 46-year-old trader. As a child he'd travel with his father to the busy

town of Pokhara a hundred-odd kilometres to the south. They used yaks, horses and mules on a journey that took 15 days. Gurung likes the road. We're just like you, he says; everyone wants a more comfortable life. But the future isn't clear.

The international border hasn't reopened to trading since the pandemic – Gurung used to get 50 per cent of his goods from China – while the old ways in Upper Mustang have nearly faded altogether. Pema Rigzin, 21, is a six-generation yak herder. He says the road has rendered yaks useless, except for meat and milk. "If my father had someone who would buy our whole stock, he'd sell everything and start a new business," says Rigzin. Each day, I walk back to the hotel past Horsepower Motors – a garage beyond the city walls that is fixing a steady stream of motorbikes.

We visit Nyiphu, "the Cave of the Union of the Sun and the Moon", which clings to cliffs about an hour's drive north of Lo Manthang. Ten monks in scarlet-crested hats are performing a puja. They're deep in prayer, accompanied by cymbals, drums, conch horns, and silver-encrusted trumpets.

At a picnic beside a stream, Koutsafis explains how when he first came to Upper Mustang, the state of the region's religious art was desperate; it was difficult to discern the images blackened by the soot from butter lamps. Numerous religious sites were damaged by damp, and cracks from earthquakes. I'd read about how at Jampa Lhakhang – the so-called "Mandala Temple" – one of the Buddha's faces was scraped off by a traditional doctor, who mixed the paint into medicines. It's only by making comparisons between the faint outlines of lost deities, and the minuscule expressions of those figures that have been retrieved with restoration, that I realise how significant the scale and ambition of the AHF's work.

At Thubchen Lhakhang in Lo Manthang, which is one of the biggest monastic assembly halls in Mustang, the detail is mesmerising – the gold, red and jade bracelets belonging to a Bodhisattva, the galloping archers, the gold linings that edge a drift of clouds. Yangchen Dolker Gurung explains the murals' symbolism as she stands in a shaft of sun; it floods the gloom with a pool of light.

In the same prayer hall, Dawa Dhondup introduces me to a group of local painters he has been overseeing since 2018, some of whom have been working on the restoration for 20 years. With brushes comprising no more than a few strands of animal hair, I watch them evoke the eye of a mythical bird, the scornful frown of a protecting deity, the stir of wind in a tree. The more curious I become, the more Dhondup reveals.

"I'm just a wanderer, a piece of paper," he says. He is originally from Tibet, and has been painting since aged 15.

I peel off from the group to have tea with him in the private prayer room of the four-storied royal palace in Lo Manthang. He explains how he started working under Fieni in 2011, and the moral and spiritual gravitas of trying to resurrect the shape and meaning of a lost image.

"There have been some situations where just couldn't decide – either the tech-

Dhondup explains the moral and spiritual gravitas of trying to resurrect the shape and meaning of a lost image

nique or the picture," says Dhondup. "I couldn't be sure of what to do. But when I was sleeping, I could see it, like a vision. It happened about five or six times. Sometimes with too much thinking, you lose the feeling. But when you dream, it becomes clear."

He unravels some of the *thangkas* he has painted in his spare time, protected by thin skeins of tissue paper. One painting stands out in particular. It depicts Vajrapani, the powerful "holder of a thunderbolt", depicted in a brilliant blue. He describes the seven pigments he uses to create a single shade, although sometimes he needs more.

"The western style is by measurement and analysis. Our style is different; we work by instinct." I can't take my eyes off the *thangka*. It's a work of deep personal and spiritual conviction, and different to his gift that glows anonymously in the mandalas and the Bodhisattva's fingernails, the horses and the sea monsters that hold my attention on the walls of the monasteries. Unlike the murals, the *thangka* carries his signature.

I watch him roll it back into the tissue paper. He closes up the prayer room, leaving a butter lamp to keep vigil in front of the late king's altar, the light glancing off the walls like confetti shaved from gold. The next day it rains. We get stuck for three nights, locked in by swollen rivers and dramatic landslides. The celestial blue of Mustang's sky disappears; the contours of distant Tibet are no longer visible under the weight of fog. Until the weather breaks, the gorge is impassable, by road or air. From my hotel window, I'm unable to see a thing, not even the faint shadow of a mountain. I think of the *thangka*, and the painter dreaming. I think of the precise stroke of his brush, of the artist, recomposing his purpose – seeing clearly, in what appears extinguished.



The new Shinta Mani Mustang hotel, due to open in May

(Including guided excursions, from trekking to cycling) more polished, which accounts for an ambitious rise in room rates.

Travelers making a longer trip that includes both the Upper and Lower Mustang regions on one tour, might find it a restful place to acclimatise – and enjoy some very fine starlit views. But if you only stayed here, and didn't head into Upper Mustang

Food & drink

A cocktail mystery

The French 75 keeps evolving but its origins remain elusive. By *John Maxwell Hamilton and Polly Russell*

This is the story of the most elusive cocktail ever invented, a drink subversive in its potency. The novelist Alec Waugh called it the most powerful in the world. It does not have one recipe, but many. Prepared properly, it can be delightfully refreshing, or it can be rich and complex. Made badly, it is lifeless bilge.

Locating the date of the first-ever French 75 is like fixing the date of the first-ever kiss. You can't do it. There are no reliable records documenting the birth of individual cocktails. Careful record-keeping is an integral part of the work done by accountants and scientists. Bartenders live under no such injunctions.

What we can say is that the French 75 almost certainly originated in France (the name gives that much away at least). Even so, its creation is quite often attributed to a London gentlemen's club called Buck's. The club, however, does not acknowledge an association of any kind. Meanwhile, the current standardised version of the cocktail, served around the world, only vaguely resembles its predecessors. It was made famous at the Savoy in London in the 1920s, but the drink the hotel serves today is nothing like the one imbibed back then.

So, what can we say for sure about it? No one doubts the cocktail got its name from a French 75mm artillery piece. The Canon de 75mm modèle 1897 was the first modern field gun, firing up to 30 rounds a minute. It was instrumental in stopping the German advance toward Paris. As a tangible symbol of military might, and a reminder of French sacrifice in the field, it became a crucial vehicle for wartime propaganda.

This publicity campaign was initiated one rainy Sunday morning, February 7 1915, when women fanned out across France selling emblems of the cannon suspended from red, white and blue ribbons. By the end of "La Journée du 75", 22m of these had ended up in buttonholes and nearly 5.5m French francs had been raised to provide care packages for men at the front.

The propagandising of the 75 cannon did not end there. Songs and poems were composed in homage to the gun. Images of it appeared on romantic postcards (L'Artillerie de L'Amour) and on postcards the military gave to servicemen to send home from the front. The gun was emblazoned on everything from docks and watches to cigarette papers and chocolates. It was in this frenzy that the eponymous cocktail was born, and, like the weapon, it packed punch.

The earliest known reference to the cocktail is in a "New-York-Day-by-Day" column by OO McIntyre that ran in The Washington Herald on December 2 1915, 16 months into the first world war. "There has been brought back to Broadway from the front by war correspondent E. Alexander Powell the Soixante-Quinze cocktail – the French seventy-five," McIntyre reported. "It is one-third gin, one-third grenadine, one-third applejack [apple brandy] and a dash of lemon juice."

The following year, the British magazine Sphere noted the mood in war-weary Paris: "The only indication of levity which any restaurant manifests is a cocktail invented by the mixer of the American bar at Ciro's called a 'soixante-quinze', an agreeable blend of Calvados apple brandy and other mysterious ingredients."

The cocktail was not, however, invented at Ciro's. A better authority, Robert Vermeire's *Cocktails: How to Mix Them* (1922), gives priority to Henry's



onion, a Martini becomes a Gibson, for instance. Such rechristenings are not common with the French 75. It often has gin, but not always; ditto for champagne. It can have fresh lemon juice, or not. The drink comes in a champagne flute, a graceful coupe or a tall highball glass. It is served with ice cubes and without. It doesn't have garnish – and it does. It can include absinthe, but that is not typical.

Four days spent exploring London bars drove this home. At the wood-paneled bar in London's oldest restaurant, Rules, the French 75 came in a frozen highball glass with ice. At Chutney Mary, an upscale Indian restaurant on St James's Street, it is made with a cube of

brown sugar. At Franco's, which claims to have been one of the first Italian restaurants in London, they use a floral gin from Italy called Panarea Sunset, and the cocktail comes in a champagne flute with no ice. When we visited, the restaurant was experimenting with a new version using white balsamic vinegar.

To get a sense of the murky, often made-up history of the drink, consider the Buck's Club attribution. When we visited recently, Major Rupert Lendrum, club secretary and former equerry to the then Prince Charles, recounted his members' passion for late-night wiffle ball cricket matches in the bar and happily recalled the club's connection to PG Wodehouse's satirical

A French 75 served in the style of Arnaud's Restaurant (above and below right) and the version made famous by "The Savoy Cocktail Book" (below, centre and left)

Photographed for the FT by Max Ferguson

novels. He proudly informed us that the first head bartender, Pat McGarry, invented the Buck's Fizz. But he insisted the club did not invent the French 75, and has never served it.

The club's records are sparse, but we know Lendrum is correct on the invention part because Buck's was founded well after the drink became fashionable. Circumstantial evidence, however, suggests the drink would have been served at Buck's Club at some stage. First, the club was founded in 1919 as a retreat for military officers. Many had served in France and would have sampled the patriotic French 75 cocktail there. Surely some would have wanted one at Buck's? Second, we have good reason to believe the bartenders knew how to make it.

One of them was McGarry's friend Harry MacElhone, who deserves credit for popularising, if not perhaps inventing, one of the standard French 75s of the time. He would have almost certainly shown his friend and bartender colleague McGarry how to mix the drink, if he did not already know.

After working at Buck's, MacElhone went on to acquire the famous expatriate New York Bar in Paris, to which he prepended his first name. His version of the 75 there built on the earlier versions mentioned above. It consisted of calva-

no credible evidence for this assertion. What we do have evidence for is the earliest edition listed in the British Library with a publication date of 1922, around the time MacElhone acquired the bar.

The French 75 served in Harry's today no longer uses calvados; it uses Champagne along with high-octane gin, absinthe, sugar and lemon juice. According to MacElhone's great-grandson, Franz Arthur MacElhone, the bar serves 9,000-10,000 French 75s annually, second only to the Bloody Mary. Harry's current French 75 is pleasant and refreshing, although we prefer the more powerful original with calvados.

The bartender most responsible for introducing the lighter, fresher champagne version familiar today was Harry Craddock of the Savoy. Craddock was the "king of cocktail shakers". His fame had a lot to do with his *clan*, as well as the Savoy, a magnificent stage for any bartender. Craddock's *The Savoy Cocktail Book*, published in 1930, is recognised as one of the masterpieces of the genre. It has witty sayings, art-deco illustrations and 750 recipes. Craddock's French 75 consisted of dry gin, sugar and lemon, topped off with champagne. "Hits with remarkable precision" was the accompanying aphorism. The author of the quip, Savoy archivist Susan Scott discovered, was Vyvyan Holland, son of Oscar Wilde.

Today, the Savoy bar serves a riff on this that uses botanical Bombay Sapphire gin instead of London dry, and pours the cocktail in a champagne flute with a long-marinated bronze-coloured maraschino cherry at the bottom. It is finished with a lemon zest.

In the US, the story of the French 75 was further complicated by Prohibition. *The Stork Club Bar Book*, first published in 1946, said the cocktail was "enshrined in the pharmacopoeia of alcohol artistry in the United States". But in the post-Prohibition years preferences ran toward simpler mixed drinks, such as Martinis and highballs. Then, at the turn of the century, the old cocktail culture re-emerged with vigour. The resurgence of the French 75 was particularly spectacular in New Orleans.

Until then, it had never been one of the quintessential New Orleans cocktails. Stanley Clisby Arthur's 1937 clas-

The bartender responsible for introducing the lighter, fresher champagne version familiar today was Harry Craddock of the Savoy

sic, *Famous New Orleans Drinks and How to Mix 'Em*, did not mention it at all. But a renovation at the venerable Arnaud's Restaurant marked a turning point. In 2005, Arnaud's owners, Archie and Jane Casbarian, created the French 75 Bar as well as a new version of the cocktail. According to their daughter and the current proprietor of Arnaud's, Katy Casbarian, her parents wanted a bar with "a French flair", in keeping with the French Quarter in which it resides. Arnaud's previous owner, the colourful Germaine Wells, had always fancied French 75s with gin and champagne, while Archie Casbarian drank brandy daily. Its new French 75 was a combination of their preferences, dropping the gin and using Archie's brandy and Germaine's lemon, sugar and champagne.

The bar took off, abetted by Chris Hannah, a budding (and now famous) bartender. He became a missionary for Arnaud's signature drink, tweaking the mixing of it and insisting on precise measurements. He argued for the originality of his formula which, if not exactly like the original, is much closer than the Savoy's. "The French 75 cocktail had a journey to becoming the New Orleans cocktail," Hannah told us. "I feel like I wrote the story. It's what I am known for."

The French 75 outsells every drink in Arnaud's "probably 10 to one", Casbarian said. And it's now found in fine bars and restaurants throughout the city. At Commander's Palace, another New Orleans dining shrine, enthusiasm for the 75 runs high. So high that the restaurant's high-spirited impresario of spirits, Dan Davis, suggested we sample all the standard versions that emerged over the years. It took him several weeks to find all the ingredients, including applejack for the original version. Intensely sweet, it was surprisingly unsatisfying. Davis also used the occasion to invent a new 75 by adding cognac to Harry Craddock's version. It was superb. The latest iteration of the French 75 comes in jelly shots, which no true lover of cocktails will embrace. But retracing its century-long history through London, Paris and New Orleans, two things are clear: the French 75 is still around because it moves with the times. And, to paraphrase *The Savoy Cocktail Book*, it always finds a way to hit with remarkable precision.

Three ways to make a French 75

Harry's MacElhone's 75
1 tsp grenadine
2 dashes of absinthe or Anis del Oso
2/3 calvados
1/2 gin
Shake well and strain into a cocktail glass.
Source: *ABC of Mixing Cocktails*

The Savoy's 75
2/3 gin



Arnaud's 75
1.5oz cognac (Courvoisier VS)
1 tsp freshly squeezed lemon juice
1/2 tsp simple syrup
2.75oz champagne
Lemon twist for garnish

Place the cognac, lemon juice and simple syrup in a shaker filled with ice and shake only long enough to chill. Pour into a

Food & drink

never cease to be amazed by the extent to which wine prices are out of sync with quality. This is true of many arenas, of course, but it may be exacerbated by the fact that, with wine, few consumers feel completely confident of their preferences and buying choices.

In my recent Christmas selections, why on earth are the carefully crafted, delicious red and white Portuguese blends I highlighted less than £10 a bottle? Why are Southern Rhône reds with many years of future development ahead of them easy to find under £15? And why is sherry still almost given away?

Wine lists are full of apparent pricing anomalies, especially those that specialise in famous names. I've long maintained that there is no direct relationship between price and quality in wine but the point was forcefully made to me at two recent Italian tastings.

The first, organised by UK importers Berkman Wine Cellars, was a comparative tasting of three Cabernet blends: the Tuscan prototype Sassicaia, Antinori's Guado al Tasso (made nearby), and San Leonardo, a wine inspired by Sassicaia, in Trentino on the way to the Dolomites in the north.

We tasted all three wines in vintages 2016, 2013, 2011, 2010 and 2007 – a wide, representative spread that was wide enough to iron out seasonal quirks. I hate to reduce wine to numbers but, for the purposes of comparison, I see that I awarded the three wines the following totals out of 100: Sassicaia 88.5, San Leonardo 88 and Guado al Tasso 84.5. Yet the prices per bottle, estimated by Berkman, were: Sassicaia £275 to £325, San

Leonardo £50 to £65 and Guado al Tasso £75 to £98. Sassicaia's first commercial vintage was way back in Italian wine history in 1968. And its 1985 vintage justifiably achieved iconic status in the fine-wine world. (I have been lucky enough to taste it five times this century but one of my life-long regrets is that I decided some time in the early 1990s that, at £30 a bottle on the list at Leith's restaurant, it was too expensive to order.)

Being first in the field, and succeeding, has made Sassicaia a trophy wine, with a concomitant effect on the price. But the Guerrieri Gonzaga father-and-son partnership has been making its refined Bordeaux blend San Leonardo since the 1982 vintage, guided closely by Marchese Mario Incisa della Rocchetta, the man who developed Sassicaia in his San Guido estate in Bolgheri. Why is San Leonardo so much cheaper? It certainly shows how ineffectual my many articles in praise of San Leonardo have been.

As for Guado al Tasso, it came on the scene only in the 1990s, once the Antinori had converted its Bolgheri estate, for long a source of inexpensive rosé, to Cabernet production. Yet perhaps the name and sales machine of the Antinori family has helped to elevate its price above San Leonardo.

The second Italian tasting that highlighted starkly how overpriced some wines are involved white wine produced on the Ornellaia estate, also in Bolgheri. Ornellaia's reds – also Cabernet blends, dating from the mid 1980s – are extremely impressive, last for decades and sell for three-figure sums per bottle. But the Ornellaia team decided to come to London to show off every vintage from the start of the

Finding bargains in an overpriced wine market

Jancis Robinson

Wine

white in 2013, made mainly from Sauvignon Blanc in tiny quantities.

I'd never tasted it before and have to say that I was decidedly underwhelmed, feeling that most vintages would not last more than about five years. So I was amazed to learn that it was put on the market at the same price as the red, and then rapidly overtook it. This is presumably the rarity effect, the same factor that inflates the price of Bordeaux's most famous, most expensive, tiny-production wines Petrus and Le Pin.

The very small quantities made have also been the justification for the price of Grand Cru Burgundy, but nowadays there is the additional inflationary factor of fashion that has sent the price of all Burgundy, not just the top slice, through the roof. Ask any wine merchant to name their most overpriced wine and they are likely to cite second- or third-tier Burgundy that is made by a lesser-performing producer. Even village



wines, below Premiers Crus and Grands Crus in rank and potential, can cost a fortune now that the spotlight of fashion is shining so brightly on Burgundy's Côte d'Or. And white Burgundy prices are particularly crazy because recent production volumes

have been so small.

My bugbear with Burgundy stems from before the recent price rises. Why are Côte de Nuits routinely more expensive than their counterparts from the Côte de Beaune? Is it a hangover from the time when wines were admired for their concentration? There are so many beauties from the southern half of the Côte d'Or nowadays that are arguably a purer expression of Burgundy, especially in warmer vintages.

Burgundy can provide obvious examples of the recent phenomenon of cultism in wine: individual producers who are suddenly so modish that the prices of their wines become almost unbelievable.

In 2013 I was assured by a Paris-based wine lover that I absolutely had to taste the wines of Jean-Yves Bizot in Vosne-Romanée. Ever-obedient and curious, I managed to get an appointment in November 2014 to taste his 2013s which I found highly

variable even if his best wines were admittedly very good. But I didn't find the wines so outstanding that I went back there year after year.

So I'm honestly staggered to see that his 2019 village Vosne-Romanée, not a Premier or Grand Cru, is currently selling for £4,000 a bottle when most comparable wines are well under £100 a bottle (and used to be much cheaper before Burgundy became the wine world's darling). His Grand Cru Échezeaux 2019 costs twice that.

Other recent Burgundian superstars include Les Horéas, Lamy-Calliat and Charles Lachaux of Arnoux Lachaux. An early example of the phenomenon whereby a producer seemed to blow out of nowhere to stratospheric prices – far higher than its neighbours – is Clos Rougeard in Saumur-Champigny in the Loire. The estate became so desirable that it was acquired from the original family by the Bouygues family of French telecoms and construction fame five years ago. Others that seem to have achieved overnight fame and prices to match include Domaine des Mirours in Jura, Edmond Vatan in Sancerre, Ulysse Collin in Champagne and L'Anglore in, of all places, Tavel in the southern Rhône.

Such Rhône has of course accelerated the speed of the ascent of these prices, as well as the dramatically increased number of people worldwide prepared to spend serious money on wine. Perhaps we more ordinary wine lovers should take comfort in the fact that they are encouraged to channel their fortunes into relatively few directions.

Follow Jancis on Twitter @JancisRobinson

Some underpriced categories of wine

In roughly ascending order of body or alcohol. Although there are always overpriced exceptions.

White

- Muscadet
- German Riesling below Grosses Gewächs level
- South African wines
- Cretan whites
- Sherry

Red

- Cru Beaujolais (Chiroubles, St-Amour,

- Fleurie, Régné, Brouilly, Côte de Brouilly, Jullénas, Chénas, Morgon and Moulin-à-Vent in roughly ascending order of body and ageability)
- Chilean Pinot Noir
- German Spätburgunder below Grosses Gewächs level
- Bordeaux petits châteaux
- Chianti Classico
- Many central and southern Italian reds
- Spanish old-vine Garnacha
- Zinfandel
- Côtes-du-Rhône
- LBV port

Give it a whirl

Honey & Co | These Bundt cakes are a fun-size New Year's party treat.

By Sarit Packer and Itamar Srulovich

Bundt cakes trace their origins to the German *bundkuchen* – a “gathering” or “together” cake. The “U” was added in the 1950s by a Minneapolis aluminium pan manufacturer who couldn't trademark the word *bund* (you can't trademark togetherness), and so the *bundkuchen* pan became a *bundt* pan and its popularity increased, so much so that we use the term for any ornate cake pan with a hole in the middle.

The chocolate, orange and coffee taste is a crowd-pleasing, season-appropriate combo

We are not looking to trademark anything but would like to make the case for a return to the direct translation – is there anything more heart-warming and homely, anything better to bring out at the end of a dinner party, than a “gathering cake”?

For us these are the ultimate party cake: they have a light, almost moussy texture, they're a fun size, and they have a deep, delicious chocolate-



Paricia Niven

orange-coffee taste – a crowd-pleasing, season-appropriate combo if ever there was one.

Other bonus points, if you need them: the cakes are gluten- and nut-free, very easy to prepare and there are only a few ingredients, so please no skimping on quality (fine butter, finest chocolate, fancy marmalade and coffee liqueur* that you'd drink). We bake ours in gathering pans (or Bundt tins) but a muffin

tin will serve you well too – these cakes will have your guests gathering round no matter what they were baked in.

*Orange or coffee liqueur sits really nicely with this recipe but we are leaning more towards the coffee one – our personal favourite is made by Conker

Follow Sarit and Itamar on Instagram @HoneyandCo

Chocolate, orange and coffee Bundt cakes

For six individual Bundt or small muffin tins

- Ingredients**
- 2 eggs
 - 50g sugar
 - 125g salted butter
 - 125g dark chocolate of your choice (choose a good one)
 - 1 tbs cocoa powder
 - 1 tbs cornflour or potato flour
 - 100g sweet orange marmalade (ideally chopped)
 - Zest of 1 orange
 - 2 tbs coffee liqueur

For the glaze

2. Place the eggs and sugar in a mixing bowl and whisk them (electric and hand held both work) to a fluffy pale mix. In the meantime, melt the butter with the chocolate.

3. Fold the chocolate mix into the whisked eggs, then fold in the cocoa powder and cornflour to make an even mix.

4. Lastly, fold in the marmalade mixed with the zest and liqueur and transfer into well-oiled Bundt tins. Place in the centre of the oven and bake for 12 minutes, then remove and rest for 10-15 minutes before carefully placing a flat tray on top of the Bundt tin moulds.



What restaurants can do to survive

Hit first by Covid and now by the cost of living crisis, the industry faces a bloodbath. To avoid going under, writes Tim Hayward, chefs must think new, weird – and cheap

There's no avoiding the fact that the hospitality industry was hit hard by Covid-19. Then by global financial dips of various depths and, protracted cost of living crisis. The first months of 2023 are going to witness a bloodbath as restaurants that have held on for the traditionally lucrative period of Christmas slip into the inevitable slump of January and February.

There's a very simple rule for small restaurants. As you lock the doors on New Year's Eve, you need enough surplus in your pocket to get to Valentine's Day on mainly empty tables. This year, lots of small places simply won't.

But think back to what defined the great restaurants and hospitality venues of the past. The great survivors. This is not just a question about New York, London or Paris. It's a universal truth about eating places. Some time back in the day, a couple of people – often a married couple, sometimes a maître d' and a head waiter fleeing a more established restaurant, sometimes a promising young chef and a business head who wanted a less secure financial future – would find a small place and hang up a shingle.

Restaurants have always been good businesses for young entrepreneurs, immigrant families trying to form some kind of financial foothold and creative talents willing to gamble. It's a business that of its nature rewards creativity and sweat equity.

A good restaurant would be tested and formed over years. It could build a following at the same time it built its offering. The food would improve as the chef developed, more customers would come and then, one day, the recognition. Word of mouth would attract critics, reviews would attract the guides and soon there would be crossed knives and forks and stars and ticks all over the window, a full book and a queue outside the door. Keep going like that for a decade and maybe, just maybe, you might consider adding a top-notch cellar, a tasting menu and a helicopter pad for your high-rollers.

What's key about this progression, this life cycle, is that it's a repeating narrative. It's not a business plan. Many of the world's most respected restaurant names legendarily survived for decades on the sort of primitive business structures you'd expect on a market stall, and responded to changes in conditions ranging from a snowy day or a bust fridge to a kitchen fire or trading insolvent.

As hospitality has grown around the world in recent decades, there's been a

begin for a “bricks and mortar” debut of a “fine-dining concept”.

There are plenty of young chefs out there with the talent and craft skills to carry off fine dining straight out of the traps, but there's a much higher level of risk in delivering the complete package. To put out multi-course, high-quality food requires expensive ingredients. That much is obvious. It also requires a larger kitchen brigade of skilled and expensive hands underneath the head chef. It needs a first rate front-of-house team to get the food out and, obviously, it needs stars. I've lost track of the number of chefs who've told me that stars on the door are their goal, their presence ensuring the solid flow of customers that will make their business model run. And here's where things fall apart.

I obviously keep close records of the amounts I pay to eat in the restaurants I review and, since coming out of the lockdowns, those prices have risen to where (even with my paper covering the bill) I'm choking as I wave my card over the handset. Even a greedy zealot like me can't quite believe any meal might be worth this. What's worse is I know that ingredient prices, energy costs and

It was a huge error to ever believe that fine dining was a business plan on which you could predict success

staff wages have all gone stratospheric, consumer confidence has nosedived and personal budgets are constrained, but the poor restaurants can't survive on a penny less. They've launched a business to a pattern that has no flexibility, which is being paid in so many directions that the centre cannot hold.

Looking at my inbox over the past few weeks, I've seen dozens of restaurants changing their menus or reducing opening hours to enable the use of fewer staff. Some are turning to crowdfunding as a survival strategy. I've just finished a review of an established chef who's opened a new place selling simple French food in a room over a pub. I've got three more lined up for operations opening in weird, new, cheap spaces with massive innovation in menu and service mix. Back in the day, someone coined a term for this: rightsizing.

I feel nothing but sorrow that we will lose many independents in the first part of next year, but we made a huge error in ever believing that fine dining was a business plan on which you could pre-

Books

Life&Arts

Non-fiction

January
Sensational: A New Story of Our Senses by Ashley Ward (Profile)
Wide-ranging look at the science of senses – from the mantis shrimp to the strange link between canine bowel movements and geomagnetic fields – and how our brains shape the world around us.

The Wife of Bath: A Biography by Marion Turner (Princeton)
Turner lifts the lid on Chaucer's most famous character, the first ordinary woman in English literature, who is explored against the reality of medieval womanhood and the legacy she continues to project.

Not So Black and White: A History of Race from White Supremacy to Identity Politics by Kenan Malik (Hurst)
The esteemed theorist on multiculturalism and race offers a longer-run perspective on contemporary race debates in an antidote to the muddiness of the "culture wars".

The Ghost at the Feast: America and the Collapse of World Order, 1900-1941 by Robert Kagan (Knopf)
A comprehensive history of America's rise to global superpower, from would-be neutral player to self-appointed arbiter of world order by a Brookings senior fellow.

The Lost Future: And How to Reclaim It by Jan Zielonka (Yale)
Zielonka, professor of European politics at Oxford University, develops a compelling argument for a revitalised global politics in the face of an uncertain future wrought by the short-termism of our democratic institutions.

The Creative Act: A Way of Being by Rick Rubin (Canongate/Penguin Press)
The legendary producer of artists from Adele to Black Sabbath, Johnny Cash to Jay-Z, distils the insights of a glittering career to reveal how to get the best out of musicians – and offers useful lessons for the rest of us in the process.

Bloodbath Nation by Paul Auster with Spencer Osterander (Faber)
Gut-wrenching examination of mass shootings in America and a plea to end the carnage, which Auster argues has its roots in the first English settlers.

An English Tradition?: The History and Significance of Fair Play by Jonathan Duke-Evans (Oxford University Press)
Delicate, thoughtful analysis of the relationship between fair play and British national identity.

The Diaries of Franz Kafka by Franz Kafka, translated by Ross Benjamin (Schocken)
Complete and uncensored diaries from the master of the nightmarish in a new translation that features material available in English for the first time.

February
The Big Con: How the Consulting Industry Weakens Our Businesses, Infantilizes Our Governments and Warps Our Economies by Mariana Mazucato and Rosie Collington (Allen Lane)
Leading progressive economist and her co-author investigate the damage – poor innovation, lack of accountability – brought about by the over-reliance of governments and companies on consultants.

Mao and Markets: The Communist Roots of Chinese Enterprise by Christopher Marquis and Kunyuan Qiao (Yale)
How China's economic success continues to be shaped by Mao's communist ideology, which has positioned state capitalism as a durable foil to the orthodoxy of free markets – to the confusion of many in the west.

Red Memory: Living, Remembering and Forgetting China's Cultural Revolution by Tania Branigan (Faber)
How the brutality and turbulence of the Cultural Revolution still shapes China today, as told through the stories of those driven to confront the era, fearing or yearning for its return.

Elkhin: In the Valley at the End of Time by Kapka Kassabova (Jonathan Cape)
Kassabova travels to the Mesta valley in her native Bulgaria in an exploration of place and people that underscores the ecological and cultural disconnect of recent years and issues an urgent call to rethink how we live.

The Crisis of Democratic Capitalism by Martin Wolf (Allen Lane)
FT chief economics commentator examines how and why the marriage between democracy and capitalism is coming undone and what can be done to save it.

Time to Think: The Inside Story of the Collapse of Tavistock's Gender Service for Children by Hannah Barnes (Swift Press)
A novel inspired by historical events, and centred on an island of castaways located off the US mainland, from the Pulitzer Prize-winning author of *Tinkers*.

Follow the Money: How Much Does Britain Cost? by Paul Johnson (Abacus)



From fresh perspectives on Russia and China to a glimpse of the new frontiers in guilt-free aviation, a preview of fiction and non-fiction titles we can look forward to in the next six months

The books to read in 2023

Acclaimed Chilean novelist turns to memoir in a reckoning with the past – personal and political – and with the subject of memory, its construction and the importance of allowing ourselves not to forget.

March
Travellers to Unimaginable Lands: Dementia and the Hidden Workings of the Mind by Dasha Kiper (Profile)
Inspired by her experience as a live-in carer for a Holocaust survivor with Alzheimer's disease, Kiper blends clinical psychology and literary verve in a timely exploration of the psychology of caregiving.

Values, Voice and Virtue: The New British Politics by Matthew Goodwin (Penguin)
Prominent British academic explores deeper postwar trends that inform current cultural divisions and finds that, with no unifying national narrative, instability is the order of the day.

The Economic Government of the World: 1933 – Present by Martin Daumton (Allen Lane)
A sweeping look at the development of money and trade since the Depression era amid the push-pull of economic nationalism and globalisation.

The Earth Transformed: An Untold History by Peter Frankopan (Bloomsbury)
Revelatory and timely look at how understandings of relationships with the natural world have shaped human history from the author of 2015's *The Silk Roads*.

The Patriarchs: How Men Came to Rule by Angela Saini (Fourth Estate)
Award-winning science journalist Saini embarks on the search for the true roots of what we call patriarchy, uncovering the complex histories of its societal embeddedness and global spread.

Courting India: England, Mughal India and the Origins of Empire by Nandini Das (Bloomsbury)
The story of the very earliest years of British activity on the Indian subcontinent, Das's book goes to the heart of the initial, heady meeting of courts and cultures and presents a novel look at the roots of colonialism.

Of Cabbages and Kimchi: A Practical Guide to the World of Fermented Food by James Read (Particular Books)
Determined to make bacteria cool, Read presents the culinary and scientific qualities of 10 key fermented foods – and how you can recreate them at home with minimal fuss.

Wolfish: The Stories We Tell About Fear, Ferocity and Freedom by Erika Berry (Platino/Canongate)
Understanding the wolf as both a folkloric totem and a vehicle for different takes on social mores, Berry explores the contours of human relationships – and what it means to be a woman – through this most familiar yet mysterious of creatures.

The Soviet Century: Archaeology of a Lost World by Karl Schlögel, translated by Rodney Livingstone (Princeton)
An impressively evocative look at material life in the USSR, from gulags and the planned economy to Red Moscow perfume and the Soviet toilet – a "lost civilisation" of utopian fantasy and unbridled terror.

The Conservative Party After Brexit: Turmoil and Transformation by Tim Bale (Polity)
Authority on the Conservatives asks whether the party's ability to adapt to any winning position has gone too far as it seeks to balance free-markets, the traditional right and the interests of England's northern working class.

Ravenous: Why Our Appetite is Killing Us and the Planet and What We Can Do About It by Henry Dimbleby and Jenima Lewis (Profile)

'Once Upon a Time World' tells the story of luxury, scandal, war and corruption on the French Riviera

ing years of the GDR, that looks beyond standard characterisations to give a more comprehensive account of life in the "workers' and peasants' state".

Once Upon a Time World: The Dark and Sparkling World of the French Riviera by Jonathan Miles (Atlantic Books)
From aristocratic hideaway to concrete jungle, the story of two centuries of luxury, creativity, excess, scandal, war and corruption.

A Kidnapped West: The Tragedy of Central Europe by Milan Kundera (Faber)
Celebrated Franco-Czech novelist makes the case for the "small countries" of central Europe as the nucleus of European values and a lightning rod of the dangers facing the continent.

Crack-Up Capitalism: Market Radicals and the Dream of a World Without Democracy by Quinn Slobodian (Allen Lane)
Historian Slobodian tells the story of the rise of libertarian-minded ultra-capitalism and looks ahead to a future beyond the nation state.

The Future of Geography by Tim Marshall (Elliott & Thompson)
In the latest instalment of his popular books on the meaning of geography, Marshall looks to the stars and the new frontier where astropolitics will be the new geopolitics.

May
What Were You Thinking? by Jeremy Deller (Cheerio)
Blending pop music, film, politics and history, the British artist Jeremy Deller examines the wide-ranging influences on his own work.

Every Choice Matters: How I Found the Strength to Tell the Truth and Why I Blew the Whistle on Facebook by Frances Haugen (Little, Brown)
Woman versus Big Tech: Frances Haugen's account of her role as the whistleblower behind the "Facebook Files" in 2021.

Allergic: How Our Immune System Reacts to a Changing World by Theresa MacPhail (Allen Lane/Random House)
Sharp sociocultural history of allergies and how modern environments and

Fiction

January
The Shards by Bret Easton Ellis (Swift Press/Knopf)
The author of *American Psycho* blurs fact and fiction in his novel about a serial killer set in early 1980s Los Angeles.

February
Victory City by Salman Rushdie (Jonathan Cape/Random House)
Rushdie's first novel since the attack he suffered last August is a century-spanning epic set in southern India.

A Spell of Good Things by Ayobami Adebayo (Canongate/Knopf)
Known for her celebrated debut *Stay With Me*, Adebayo returns with a new novel that explores modern Nigeria through the story of two families.

This Other Eden by Paul Harding (Hutchinson Heinemann/WW Norton)
A novel inspired by historical events, and centred on an island of castaways located off the US mainland, from the Pulitzer Prize-winning author of *Tinkers*.

Tomás Nevinson by Javier Marías, translated by Margaret Juli Costa (Hamish Hamilton/Knopf)
Marías's final novel, posthumously published in September, sees a retired British SIS member return for one last assignment in 1992s Madrid.

Old Babes in the Wood by Margaret Ahwood (Chatto & Windus/Doubleday)
Ahwood's short-story collection – which features George Orwell, an alien and a confused snail – promises to "explore" the full warp and width of "experience".

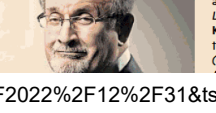
Old God's Time by Sebastian Barry (Faber/Viking)
A retired policeman, settling into a quiet chapter of life on the Irish coast, is forced to reconsider his past in Barry's new novel.

April
A House for Alice by Diana Evans (Chatto & Windus)
A family drama sparked by a matriarch's desire to return to Nigeria – the country of her birth – plays out during the aftermath of the Grenfell tragedy.

Shy by Max Porter (Faber/Graywolf Press)
Slim but multilayered, this new novel from the author of *Grief Is the Thing With Feathers* revolves around the life of a tormented teenager.

Romantic Comedy by Curtis Sittenfeld (Doubleday/Random House)
An off-the-wall love story that follows the romantic travails of a TV comedy scriptwriter from the author of *Rodham* and *American Wife*.

May
August Blue by Deborah Levy (Penguin/Farrar, Straus and Giroux)
Set in Athens, Levy's new novel explores ideas of selfhood and femininity



through a woman who believes she has glimpsed her double.
The Story of the Forest by Linda Grant (Virago)
An adventure story beginning in 1913 on the edge of the Baltic sea, and following the fate of a young girl named Mina, offers a new perspective on early 20th-century Europe.

The House of Doors by Tan Twan Eng (Canongate)
Eleven years after *The Garden of Evening Mists*, Twan Eng is back with a fictionalised account of William Somerset Maugham's visit to Penang in 1921.

June
The Late Americans by Brandon Taylor (Jonathan Cape/Penguin)
Centred on a group of lovers and friends living in Iowa City, this novel from the author of the Booker-shortlisted *Real Life* explores the idea of "chosen family".

Kalros by Jenny Erpenbeck, translated by Michael Hofmann (Granta/New Directions)

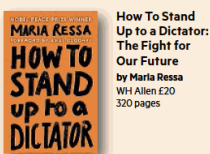


Philippine news company Rappler with founders including Maria Ressa, right, in 2018 — New York Times/PhotoEye.com

Dictators' dark arts

Filipina journalist Maria Ressa shows how demagogues misuse social media — yet insists that tech companies can still be a force for good. *By John Thornhill*

Much of the debate about social media has descended into a ritualistic, and rather tiresome, row between free speech absolutists railing against "censorship" and conspiracy-minded campaigners chanting that Big Tech is evil and must be destroyed. Both, in their opposite ways, are equally simplistic and delusional. The first group fails to recognise any problems; the second group proposes few solutions. How to define and defend legitimate free speech has become one of the most tractable challenges of our tech-addicted age.



action and hold the powerful to account. After taking over as head of the Philippines' ABS-CBN News organisation in 2005, Ressa sought to make the most of these opportunities, signing up almost 90,000 citizen journalists and pumping out news on Facebook. She developed that approach even further when launching the independent news site Rappler in 2012 with the aim of harnessing the power of investigative journalism, technology and community. "New technology was giving journalists new power," she writes.

However, she was soon to learn from bruising experience that the technological tools that could be used for societal good could also facilitate political manipulation and intimidation. With one of the highest rates of internet usage in the world and shallow democratic institutions, the Philippines was particularly vulnerable to those practising technology's dark arts.

Rodrigo Duterte, a candidate in the 2016 presidential elections who compared himself to Adolf Hitler and demanded the summary execution of drug dealers, emerged as a master of the

medium. He and his supporters ran skillful disinformation campaigns, courted biddable social media influencers and directed internet bot farms to stoke voters' fears and trash his opponents, helping him win power.

Ressa argues that Duterte's propagandists harked back to the FUD (fear, uncertainty and doubt) strategy deployed by companies such as IBM and Microsoft in the US in the 1970s-90s to smother their competitors with disinformation. But Duterte's digital momentum had other tactics, they instigated a false and fear-laden grass roots campaign (known as astroturfing in the

'I believe that Facebook represents one of the gravest threats to democracies around the world'

trade) about the drug war, set up a Facebook page calling for the death of a student who asked a critical question of the candidate, and posted fake sex videos of an opposition politician online to destroy her credibility.

The digital vigilantes also went after Rappler and its journalists, trying to discredit its reporting and intimidate its staff with vile online abuse and death threats. Ressa herself still faces seven criminal cases against her, brought by Duterte's allies, that could send her to jail for the rest of her life.

Ressa declares herself "beyond disil-

lusioned" by Facebook's wilful blindness to the societal damage its platforms enabled. In spite of Ressa's constant appeals to the tech company to stop its platform being abused in this way, Facebook did little to combat what it quaintly called "co-ordinated, inauthentic behaviour".

Ressa even raised her concerns directly with Mark Zuckerberg, Facebook's founder, at a tech event in California, pointing out that 97 per cent of internet users in the Philippines used his service. "Wait, Maria," he replied in what may have been a lame joke. "Where are the other 3 per cent?"

A wave of rightwing populists around the world have also employed the Duterte playbook, according to Ressa, exploiting social media to break down reality, degrade the truth and trigger paranoia and fear, thereby encouraging violence and normalising fascism. "I believe that Facebook represents one of the gravest threats to democracies around the world, and I am amazed that we have allowed our freedoms to be taken away by technology companies' greed for growth and revenues," she concludes.

The best way to respond to these threats, she argues, is to emulate Rappler's guiding principles of technology, journalism and community on a far bigger scale. Governments must demand more accountability from the tech companies and regulate to defend data privacy and ban surveillance advertising. She also argues for the positive uses of technology to mobilise collective action and makes an impassioned defence (with which this reviewer is not going to disagree) of the role that responsible journalism plays in helping to establish a base level of verified facts.

But ultimately, she concludes, the health of our democracies will depend on the strength of civil society to demand change and hold both rogue corporations and governments to account. Only then do we stand any chance of creating "a vision of the internet that binds us together instead of tearing us apart".

John Thornhill is the FT's innovation editor

Portrait of a nation at war

Karin von Hippel on an account of Ukraine's plight that deftly blends micro details and macro themes

The conflict in Ukraine is not yet one year old, but it has already challenged many basic assumptions about war. At the same time, it offers a brutal reminder as to why the democratic values underpinning our societies matter. This unprovoked invasion has justly snapped many western countries out of their complacency.

It has forced us to look back at the relative inaction of our governments when faced with Russia's violations of laws and norms, whether they be military incursions in Georgia in 2008, Crimea in 2014 or Syria in 2015, the use of chemical and radiological weapons against its own citizens at home and overseas, or meddling in democratic elections. The list is long, and our response has been underwhelming.

For those of us living in the west, watching the war unfold, it has been heartening to see the support offered by so many non-governmental actors, whether civilians or corporations. Thousands of volunteers worldwide have been countering Russian cyber attacks, shipping generators into Ukraine, helping people evacuate, and welcoming Ukrainians into their homes.

In the case of the private sector, we have witnessed big businesses rapidly divesting from Russia. We have also been impressed by European and transatlantic unity, including Finland and Sweden opting to join Nato.

At the same time, we have been distressed by the negative impact this conflict has had at the global level. North Americans and Europeans have been confronting significant increases in the basic cost of living, yet the spillover has been far worse in the countries of the global south. Here, too, we have also learned — again, to our distress — that many of the countries in Latin America, Africa and Asia bearing the brunt of food and energy shortages appear to be more aligned with the Russian and Chinese narratives and world view than with the west's.

Luke Harding's book *Invasion*, while reflecting on many of these macro themes, rightly places the Ukrainian people at the heart of this saga. He describes, in elegant and compelling prose, not just the brutality of the war, but also the tenacity, resilience, bravery and humour of the Ukrainian people.

I particularly liked the behind-the-scenes description — based on his own experience and extensive networks built up over years of reporting for the Guardian from Ukraine and Russia — of Volodymyr Zelenskyy's evolution from a marginal and slightly diminished political figure in the early days of his presidency to the international icon he has become, embodying leadership skills in a world seemingly devoid of them. Zelenskyy and his team's mastery of storytelling, along with their command of social media, have helped them

to control the narrative to a degree not seen in decades, outgunning Putin, a man many thought was a tactical (albeit evil) genius in this arena.

Harding recounts how the war started years before Russian tanks rolled into the country on February 24 2022, years even before the Russians invaded Crimea and the eastern regions of Donetsk and Luhansk in 2014. Putin was never comfortable with Ukraine's declaration of independence in 1991, but took time to forge his irredentist ambitions. Russian claims on the territory go back still further, and Harding delves into many of the historical debates. I am reminded of my maternal grandmother's panicked flight from Lviv (then Lemberg) in 1914, just days before another group of marauding Russians invaded.

Harding also reviews many of the significant issues and battles that have defined the first year of the conflict, such as the perilous Russian takeover of the Zaporizhzhia civilian nuclear power station (recklessly putting not just Russian soldiers at risk, but also the entire region, if another Chernobyl-like disaster were to occur), the horrific events in Bucha and Mariupol, the absurdity and humour of the Snake Island incident, and how increasingly advanced US weapons have been a



game-changer for the adaptable and agile Ukrainian military (in sharp contrast to the rigid, highly centralised Russian forces).

Ukraine's successes on the battlefield, in cyber space and in the information war have inspired many around the world, and have accelerated our learning about how to execute future wars. Students at military academies are assiduously taking notes.

While it is never easy to write about a continuing conflict, especially in the early days, when it is far from clear whether it will end in two months, two years or two decades, *Invasion* will become an important part of the historical record. This book should be of interest even for those who follow the war closely, and most definitely for the educated lay public. It is extremely well written, a fast read, and offers an excellent balance between personal encounters and the broader sequence of events. Whatever the eventual outcome, in so many ways, as Harding reminds us, the Ukrainians have already won.

Karin von Hippel is the director-general, Royal United Services Institute

The books to read in 2023

Quantum Supremacy: How Quantum Computers Will Unlock the Mysteries of Science — and usher in a New Quantum Era by Michio Kaku (*Allen Lane/Knopf Doubleday*)

The bestselling author of *The God Equation* returns with this "exhilarating tour" of quantum computing, covering its potential uses in nuclear fusion energy, treatments for Alzheimer's and the production of fertiliser.

Virtuous Bankers: A Day in the Life of the Eighteenth-Century Bank of England by Anne L. Murphy (*Princeton*)

The story of how the 18th-century Bank of England became — in the words of Adam Smith — "a great engine of state", told through the institution's activities within a single day.

Foreign Bodies: Pandemics, Vaccines and the Health of Nations by Simon Schama (*Simon & Schuster/Harper*)

Return of History by Serhii Plokhy (*Allen Lane/WW Norton*)

Plokhy, leading historian of Ukraine and the cold war, provides a detailed account of the largest armed conflict in Europe since the second world war. **Flying Green: On the Frontiers of New Aviation** by Christopher de Bellaigue (*Journals and Global Reports*)

Journalist and author surveys the new technologies — from hydrogen power to the "Flying Whale" — that promise a future of guilt-free air travel. **Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity** by Daron Acemoglu and Simon Johnson (*Public Affairs*)

US philosopher Neiman warns of the dangers of conflating the left with wokeism — and argues that the latter threatens to undermine the goals and guiding principles of the left.

Fighting for Life: The Twelve Battles that Made Our NHS, and the Struggle for its Future by Isabel Hardman (*Viking*)

Published in the NHS's 75th anniversary year, *Fighting For Life* tells the history of the health service through some of its most critical moments.

Love in a Time of Hate: Europe on the Brink of War, 1929-39 by Florian Illies, translated by Simon Pare (*Profile*)

More interwoven history — this time from the 1930s, featuring Marlene Dietrich,

logical and psychological lacunae in societal understandings of motherhood.

France on Trial: The Case of Marshal Pétain by Julian Jackson (*Allen Lane*)

Marshal Pétain's trial in 1945 — in which he was convicted for treason — becomes a lens through which to consider 20th-century French history.

Blue Machine: How the Ocean Works by Helen Czerski (*Trusard*)

A new study of the ocean that promises to "recalibrate" our understanding of this fragile mosaic of interlinked ecosystems.

Goodbye Russia: Rachmaninoff in Exile by Fiona Maddocks (*Raber*)

The story of Rachmaninoff's years in exile: a period when the composer found fame and riches in the US but remained haunted by Old Russia. **An Uneasy Inheritance: Class in Britain, or My Family and Other Radicals** by Polly Toynbee (*Atlantic Books*)

An honest look at class and social mobility in Britain as refracted through the award-winning author, journalist and broadcaster's esteemed family history.

The Invention of Essex: The Making of an English County by Tim Burrows (*Profile*)

history of the Indian subcontinent that rejects hegemonic conceptions of national "difference". Think Tony Judt's *Postwar* for South Asia.

The Ruble: A Political History by Ekaterina Pravilova (*Oxford University Press*)

Groundbreaking history of Russia — from empire to the Soviet era — viewed through the lens of its money. Important and timely in the face of recent events.

The summer and beyond

When it comes to the second half of the year, many publishers are keeping their powder dry. Among those books already announced, look out for the story of QAnon (*The Other Pandemic* by James Hall) and the rise of the culture wars (*Minority Rule* by Ash Sarkar); a new book (*Emperor of Rome*) from classical historian Mary Beard; an inside

Books



Luke Waller

Fed by female attention

Mia Levitin on a boy-meets-girl story that lampoons Homo academicus

In a world full of stories, why are so many novels boy-meets-girl while-coming-of-age? Nell Zink asked in 2014. Since then, the heterosexual romance plot has become passé in literary fiction...



Avalon by Nell Zink Faber £14.99/Knopf \$27 224 pages

In 'Avalon', published in the US in May, Zink is less interested in plot than in lampooning the lingo of homo academicus. Set in the 2010s, the story is told from the first-person perspective of a young woman named Bran...

literary magazine, for whom "getting a degree was basic hygiene, like washing behind your ears", enrol in university, Bran is left behind to keep working. An "atmosphere of looming sexual menace" at the nursery culminates in an incident leading her to flee.

Through Jay, Bran meets Peter, an east coast transplant thick with theory and philosophy, who spouts gems such as "the latent fascism in postmodernity makes us incapable of [tragedy]".

Although Peter declares his love to Bran - "I need simple things in my life," he tells her by way of explanation - he vacillates between adoration and condescension, and the two embark on an affair. "I felt I was being fucked with, and I liked it a lot," Bran tells us repeatedly.

Avlon has been pillaged as a "story of female emancipation and the journey to personal utopia". While Bran emancipates herself from her stepfamily, she remains in thrall to Peter. Unrequited love for an intellectual who feeds on female attention also features in Elif Batuman's 2017 campus novel 'The Idiot'.

In its 2022 sequel 'Either/Or', we get the satisfaction of seeing the protagonist, Selin, eventually move on. But Selin also spends time contemplating friendship, art and philosophy. Bran's brain space, by contrast, is monopolised by Peter.

"Take any opera and give the heroine the ability to pay her bills: instant modernity!" Zink once wrote. After leaving the nursery, Bran earns money landscaping, and Peter convinces her to become a screenwriter.

As 'Avalon' opens with the final scene, readers are assured a happy romantic ending from the start. Far be it from me to deny Bran "inexpressible happiness". I only wish there was something to suggest that the object of her affections had evolved enough to merit her unaided attention.

Life in a nutshell

This fact-based story about a woman who has devoted her life to racehorses is a triumph of minimalism, says Susie Mesure



Kick the Latch by Kathryn Scanlan Daunt Books £9.99/ New Directions \$17.95, 96 pages

"don't want to waste a reader's time," is how the American author Kathryn Scanlan has described her approach to writing. This much is evident from 'Kick the Latch'.

The story follows Sonia, a woman from a poor part of Dixon, Iowa, who has spent most of her life working with racehorses. It is a work of fiction but Sonia is a real person, whom Scanlan's mother met at a flea market and introduced to her daughter.

Scanlan wanted to see if she could turn hours of transcribed conversations with Sonia into a book-length work, a compositional method she has used in a more ad hoc way for some of her short stories.

Does her approach pay off? To channel Scanlan, the short answer is, yes. 'Kick the Latch' is a triumph, whittling Sonia's life down to 96 sparse worded pages that serve as a masterclass in how less can be more.

Scanlan's minimalist dexterity, which was on display throughout the 40 often very short stories in her 2020 collection 'The Dominant Animal', is reminiscent of Lydia Davis, a master of the succinct form. The new book is a natural successor to Scanlan's 2019 debut, 'Aug 9 - Fog'.

'Kick the Latch' is divided into 12 chapters, which are broken into separate fragments, sometimes just a few lines long. This gives the narrative a staccato beat, like hoofbeats along a track.

"You lose touch with the outside. Things change. You don't hear about world news because you're in your own world and you have enough news," is

from a segment called "Enough", about living at a racetrack.

In Scanlan's hands, Sonia is a sympathetic, modest and decent character. Born with a dislocated hip, she is expected by doctors never to walk. "My mom said, Oh no, there's got to be something", so baby Sonia is encased in solid plaster from her chest down for five months, with just a little gap for a nappy.

Despite her family's lack of wealth, Sonia learns to ride, does odd jobs so she can buy a pony, and spends one teenage summer holiday learning the ropes at a race track in Iowa. The following year, working at Park Jackson racetrack, she starts her days by walking across a field at 3.15am to give the horses their early morning feed.

'What makes the book sing is that Sonia is no one special. There are countless Sonias toiling behind the scenes in all sorts of fields'

doesn't tell anyone because she doesn't want to leave the track. "I cut my hair short after that."

What makes 'Kick the Latch' sing is that, in the scheme of things, Sonia is no one special. There are countless Sonias toiling behind the scenes in all manner of fields, not quite fulfilling their dreams. "I did everything a jockey does except ride in a race", she says. Yet I defy anyone not to be gripped by the minutiae of Sonia's life, partly because Scanlan doesn't get bogged down in dull details. The book also provides a counterargument to those who think horseracing is cruel, with Sonia noting that "backyard stable people" may be far more neglectful of their horses.

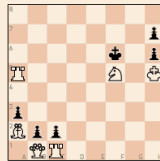
Time spent with Scanlan's characters, all as colourful as a paddock of jockeys' silks, is time spent wisely, not wasted. I look forward to investing more of mine in whatever she writes next.

Diversions

CHESS LEONARD BARDEN

Hastings' New Year congress is back this week, continuing a tradition that has endured for more than a century. Its vintage years were the 1930s, when Alexander Alekhine and José Raúl Capablanca competed, and the 1970s boom, with Soviet chess stars Anatoly Karpov, Boris Spassky and Mikhail Tal.

strong, Caplin Systems, providers of online trading technology, are the main sponsors, supported by Hastings Borough Council. Outright English victories are rare, although David Howell won last year's event, played online due to Covid. Before that, Danny Gormally shared first place in 2018-19, while Gawn Jones was the clear winner in 2012-13. This year's top six seeds are all from overseas, with Gormally, 46, again among



the home players likeliest to upset the rankings. The nine-round tournament is an opportunity for reigning British champion Harry

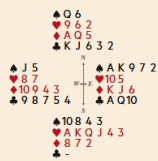
Grieve, 21, to score his first major international success. Beyond that, the youngest player is Kushal Jakhria, just seven years old but already rated expert standard.

2500

White mates in two moves, against any black defence (by Dr Werner Speckmann). Black has just a king and pawns against White's king and pieces, but the only route to checkmate is hidden. Solution, back page

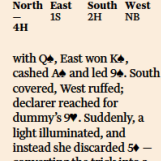
BRIDGE PAUL MENDELSON

A loser-on-loser play involves the discard of a loser opposed to the risk of an overruff or trump-promotion. Despite - or perhaps because of - the presence of fewer sherry, the declarer found a variant of this play which simplified everything subsequently. Despite holding a useless-seeming ♠Q, North raised her partner to lose. West led ♠. Declarer concluding that with East having opened, the diamond finesse



would fail, leaving two spades and two diamonds to lose. However, dummy's ♠Q did, in fact, make a contribution. Declarer covered the lead

Dealer: East E/W Game



with ♠Q. East won ♠, cashed ♠A and led ♠9. South covered, West ruffed; declarer reached for dummy's ♠9. Suddenly, a light illuminated, and instead she discarded ♠5 - converting the trick into a loser-on-loser play. Had she over-ruffed, it is complex to time the order of play, and the declarer might well have failed. West switched

promptly to 10♠ but, now, with trumps splitting evenly, declarer is in control. She rose with A♠, drew one round of trumps to hand and laid down ♠6, on which she pitched dummy's ♠Q. Now, she could trump two diamonds in dummy, ruffing clubs to return to hand, before drawing East's final trump. With perfect timing, the contract might still be made, but the loser-on-loser play ensured two diamond ruffs and simplified the thinking for the festively challenged declarer.

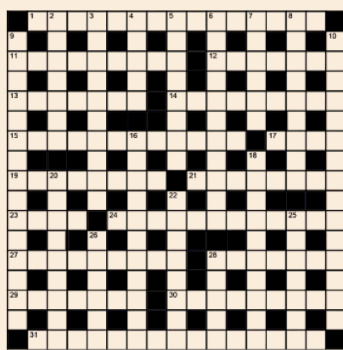
POLYMATHEMATIC 1,211 SET BY BRADMAN

ACROSS

- 1 Time when someone is deemed legally responsible for their own actions (3,2,10)
11 Bringing bad luck to (9)
12 Mean or worthless (7)
13 (Referring to) every one of the 24-hour periods in a week (7)
14 The use of sexually arousing material (9)
15 Concerned with charitable giving (12)
17 John —, literary figure who died in 1994 (4)
19 Another name for the carob or the mesquite (8)
21 A heavy material for riding garments (3-5)
23 The Great —, a name for Dr Samuel Johnson (4)
24 A god of the Aztecs, represented as a feathered serpent (12)
27 A unit of frequency (9)
28 The use of water (not hot) to arouse a sleeper (4,3)
29 The capital of Georgia (7)
30 Subatomic particles discovered by JJ Thomson (9)
31 Appealing to pity (in an argument) (2,13)

DOWN

- 2 Derogatory term for a holidaymaker in SW England (7)
3 Wind instrument used in baroque music (4,6)
4 Potential cycling partner proposed to in song (5)
5 With raised wings in heraldry (8)
6 Excessive release of nasal mucus (11)
7 A brown polyphenol (6)
8 Part of a score that must be played as given (9)
9 American play and film about low life in New York (3,6,6)
10 Someone who studies parasitic worms (15)
16 The mood evident in the sequence 'If I were you' (11)
18 Marked as if with needle scratches (10)
20 A hard-nosed seeker of profits, named after a Dickensian character (9)
22 Less common variant of a Latin phrase for 'and the others' (2,6)
25 A jar with a narrow neck and two handles (7)
26 Sea-urchins (Latin plural) (6)
28 A set of beliefs (part of the)



Solution 1,210



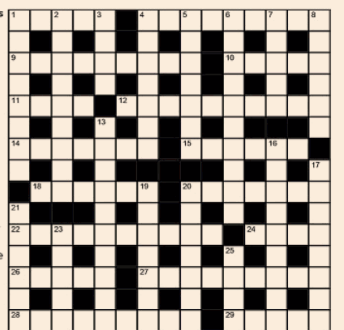
CROSSWORD 17,293 SET BY BASILISK

ACROSS

- 1/10 Russia thinks taking sides damaged leader (5,3)
4 One who led series of Schoenberg or Bach events (9)
9 Contributors to Pride who won a historic victory (9)
10 See 1
11 In the end, Argentina had to triumph around here (4)
12 See 26
14 Shower here beginning to ease distressed state (7)
15 Cook catches fish here (6)
18 Scare a Republican away from extremist position (6)
20 See 25 Down
22 Competition initially weakens currency following warning signs (6,4)
24 What limits stagflation in current time has gone (6)
26/12 Politician resigned, having dropped ecstasy with wicked author's child (5,10)
27 Character in 'The Crown' opening line? (9)
28 Dictator's dropped cuts and measures to curb aggression? (9)
29 Support unpopular leader (5)

DOWN

- 1 Excluded third of students were first to smash bottles (5,3)
2 Cause of breathlessness affected rest home residents primarily (9)
3 American former president leads retail empire (4)
4 Discharge almost rips huge opening in Nord Stream 2? (3,4)
5 Took stock, determined to control south-east's borders (7)
6 Not for or against advanced search engine suppressing result of leak? (10)
7 Pursues senior politician close to business (5)
8 Hostile northerner snubbed somebody — somebody like Charles... (6)
13 ...tom assunder — that union unravell'd (6,4)
16 USA sure to supply material goods for partnership (9)
17 Broadcaster abruptly cuts elements of satirical show? (8)
19 Article about summit reduced to that? (7)
20 Hospital sign conveying source of registrar's worries (7)
21 Small salary for metal workers (6)
23 Expert's piece about case for vaccine (5)
25/20A Politician's dull party has wine box (4,7)

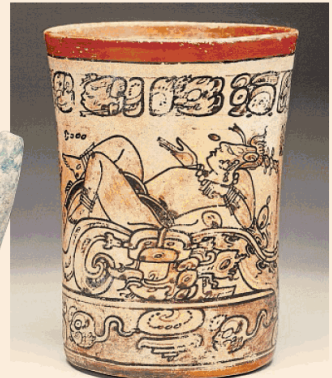


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Arts

Life&Arts



Mysteries of the Maya unlocked

New York | Richness, humour and humanity emerge in the Met's dazzling 'Lives of the Gods'. By Ariella Budick

Above, from left: a limestone throne back; a ceramic whistle showing an elder emerging from a cornstalk; codex-style vessel showing the rebirth of the Maize God (all objects 600-909AD)

Museo Amparo Collection Maya, Dumbarton Oaks Research Library and Collection, Museo Nacional de Arqueología y Etnología



limb enough steep stairs in the ancient city of Calakmul on the Yucatán Peninsula and you emerge above the jungle canopy. The tops of other stone towers seem to float on an ocean of greenery. All that's left of the tens of thousands who lived here is a population of howler monkeys violating the silence. In the distance, Mexico, Belize and Guatemala converge, their artificial boundaries cutting through the heart of what was once all Maya territory, known as Petén.

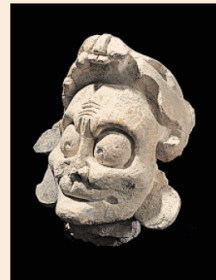
The vivid mystery of that place permeates *Lives of the Gods: Divinity in Maya Art*, the Metropolitan Museum's rare exhibition of carvings and sculptures from Calakmul and other Maya metropolises. The Maya occupied an intensely ornamented and expressive world, where walls and household objects told stories full of drama, disaster, creation and sex. Finely wrought figures dance and grin and sport extravagant plumage. Humans morph into gods and vice versa, sharing space with serpents and piglike peccaries.

This selective and dazzling anthology, organised by the Met with the Kimbell Art Museum in Fort Worth, centres on the classic period (AD250-900) and classic questions: what were its people like? What did they believe, fear and enjoy? And why, around 1,500 years ago, did their cities empty out and a great culture dwindle?

The answers are neither straightforward nor definitive, but the exhibition

cuts through the complexity by focusing on iconography that merges the mortal with the supernatural. In nearly 100 whistles, jade carvings, stone portraits, painted ceramics and ceremonial objects, we see gods take on human form and human foibles: divinity made flesh.

The Maize God, one of the central figures in the Maya pantheon, is born, drowned and then reborn from a mountain crevice or a cracked turtle shell. He grows up and assumes his godly responsibilities; in one scene painted on a cylindrical vessel, a group of women dress him in the robes and accessories of his office.



Far left: ceramic censer stand (600-800AD) Above: stucco head (650-850AD) Right: terracotta figurine of embracing couple (700-900AD) Museo de Sitio de Palenque Alberto Ruz L'Huilier, Mexico; Museo Nacional de Arqueología y Etnología, Guatemala; Denver Institute of Arts



The Sun God, another Maya *VIG*, is not merely celestial or aloof but suffers like mortals through the night, ages, weakens, fights back. Divinity can be dangerous. One fearsome ceramic censer lets us see him in his nocturnal guise as the Jaguar God of the Underworld, sitting cross-legged and wearing a fiery headdress. A younger, smaller captive buried neck-deep in clay squirms below. Power appears stable and oppressive here, but in other vignettes, a group of young lords rise up and set fire to their master.

Even with the Met's careful lighting and cogent explanations, non-specialist viewers will find it a challenge to decipher illustrations of tales that are only partly understood, from places that have been only partially excavated. In some of the tinier and more intricate works, just making out what's going on requires Holmesian powers of observation. One plate design I would have pegged as a crustacean of some kind turns out to be the Maize God wearing "a protective belt that denotes him as a ballplayer".

Maya cities relinquish their secrets slowly, not to swashbuckling Indiana Joneses who go hacking through the jungle, but to patient scholars who pore over eroded artworks, cross-reference different versions of the myths, translate inscriptions phoneme by phoneme and glyph by glyph, and patiently connect the dots. This has been the work of generations, an ongoing collective investigation with the contents of this show as evidence.

"Only by combining the disciplines of archaeology, art history, ethnography, and linguistics, can [meanings] be discerned," a catalogue essay declares. Recent advances in reading texts and piecing together myths have yielded much more context. Even so, the object descriptions are filled with words like "may", "conceivably" and "probably". Interpreting the iconography can be frustrating for the uninitiated.

Despite the interpretative murk, many of the artefacts are so sharp and eloquent that they could be used to illuminate the social and cultural failings of today. Take the Maya attitude towards ageing. In the reverence is, not surprisingly, shot through with ambivalence and alarm. There are plenty of examples of veneration. A painted ceramic whistle shows a shirtless elder, bedecked in a necklace and oversized earrings, emerging from the head of a cornstalk. "In Maya thought,"

the text panel informs us, "the bones of the dead are comparable to plant seeds that carry progeny and fertilise the earth. The old men here are ancestors, growing like flowers in the afterlife."

The living aged have their uses, too. In a comic-strip-like scene on a painted cup, a young woman harassed by an overenthusiastic suitor takes refuge behind her father, a firm and protective god. Here and there, the catalogue waxes rhapsodic about the virtues of seniority. "Aged spirits were the keepers of knowledge, the banks of intergenerational healing, oral histories and hope."

But there are equally frequent instances of ridicule and humiliation. Old men, especially, are shown as superannuated gods, geezers and leches. When you see a bellicose figure raising a blowgun, it's probably some young David aiming to bring down a potentate past his prime. A section of the exhibition optimistically titled "Knowledge" includes a series of grotesque stone heads with bulging eyes, grooved brows and toothless mouths. One memorable terracotta figurine presents an amorous couple clearly intended to elicit an "ew"

Maya cities relinquish secrets slowly, not to swashbuckling Indiana Joneses who go hacking through the jungle

rather than an "oh!": a short and leering ancient nuzzles a young woman while his left hand creeps beneath her robe. Respect and scorn can be hard to tell apart.

Some slow-moving calamity — war, drought, disease, or just an over-extended economy — caused this rich urban society to collapse, though not even the Spanish Conquistadors 500 years later could eliminate it completely. A group of Maya languages, spoken by millions, still endures in the transnational Petén. So do contemporary costumes and rituals that anthropologists pick through for clues. Objects like those at the Met function as a ravishing code, linking the vivid past to the impoverished present. The unresolved mysteries are a relief, in a way, because they place the scholar and the dilettante in overlapping circles of uncertainty and excitement. You may not know how to parse arcane myths or identify a bas-relief jaguar pelt, but you can feel the exhilaration of wild dances, terrors and biting humour. Those require no codebook to understand, only an eager eye.

To April 2, metmuseum.org

THE LIFE OF A SONG

A NEW YEAR CAROL

In May 1954 the young Benjamin Britten composed a carol — not for Christmas, but for New Year. In "A New Year Carol", he set to music a lyric that had been circulating among folk song collectors for some decades, and which had been sung long before that: "Levy Dew". As with many carols that are sung around Christmas and New Year, its origins and meaning were — and remain — a mystery. Britten's carol, with its sweet, simple melody, was published in *Friday Afternoons*, a collection of songs

Tiddler's Ground, in 1931; this in turn was largely the same as the "standard" version in print since 1850.

By composing the song for a school in Wales, Britten is taking it back to its roots: "Levy Dew" describes a ceremony that used to be performed in parts of Wales. Very early in the morning on New Year's Day, children and youngsters would gather evergreen foliage, draw water from the well, and go from house to house sprinkling water over the inhabitants or on their doors, sometimes in return for a few coins, sometimes in return for a few coins, sometimes in return for a few coins. As they did this, they would sing "Levy Dew"; it's not known what tune they were using.

So what does the song mean? The beginning is crystal clear: *Here we bring new water from the well so clear; For to worship God with, this happy New Year.*

But with the chorus, things become murkier:

"Dieu", meaning "raise to God" — referring to the raising of the Host at Holy Communion. Or it could be a version of the Welsh phrase "Ilef ar Dduw", "a call to God". Another suggestion is that it's an echo of the old English word "levedi", meaning "lady" — referring to the fair maid in folk mythology who ushered in the New Year, and who perhaps morphed into the fairest of all maidens, the Virgin Mary. (Some 19th-century scholars

Below: composer Benjamin Britten, 1936 — Shutterstock

suggested — perhaps fancifully — that the "fair maid" is Aurora, Roman goddess of the dawn.) The "bright gold wires" and "bugles" are the stuff of heaven and Revelation. Pre-Christian mythology and Christian imagery are in balance here. Verses two and three bring the fair maid into focus:

Sing reign of fair maid, with gold upon her toe; Open you the west door and turn the old year go.

Sing reign of fair maid, with gold upon her chin; Open you the east door and let the New Year in.

The "gold upon her toe" is surely light from the sun setting on the old year, the "gold upon her chin" the light from the New Year's rising sun.

"A New Year Carol" was written for a unison choir of children, with no harmonies. Among the earliest recordings is from a concert at Downside School in

opera *A Midsummer Night's Dream*.

Another notable recording was made in 1996 by Lichfield Cathedral Choir conducted by Andrew Lumsden, with organ accompaniment. In 2006 the folk group Waterson-Carthy included a jaunty folksy arrangement on their album of pagan/Christian songs and carols, *Holy Heathens and the Old Green Man*. For reasons that remain unknown even to members of the group, the words "Levy-dew" were replaced with "Residue", a new twist to the mystery. New verses for the north and south gates were added. Other choirs and ensembles have arranged the carol with harmonies, which seems to detract from its innocence.

Does it matter that when choirs and carollers sing "Levy Dew" (or even "Residue") they don't really know what they're singing about? Probably not. The words themselves form a pretty sound. And the unknown or murky



Arts

From Raphael resplendent at London's National Gallery to Alice Neel the edgy American in Paris, triumphant at the Pompidou, to the extraordinary women's biennale in Venice, 2022 was the year of the great comeback: major shows postponed by the pandemic finally opened, a bursting dam of abundance across Europe.

It was also a year of breakthroughs, when voices long obscured roared into town. Sixty-three-year-old Hew Locke's sparkling/sombre "The Procession" (to January 22), a Caribbean carnival of masked papier-mâché figures adorned in fabrics bearing images of trauma — a print of a hanged slave, flood-devastated costumes — is Tate Britain's best ever Duveen commission. In Venice, 60-year-old Sonia Boyce, the first female black artist to represent Britain, took the Golden Lion for her audiovisual presentation "Feeling Her Way", and France's Zineb Sedira stunned with "Dreams Have No Titles", a chic installation of cocktail bar and domestic interiors drawing on the Algerian immigrant experience.

Sobeha Sokhanvari's disco-ball homage to actresses and chanteuses in pre-revolutionary Iran, *Rebel Rebel* at the Barbican (to February 26), was heart-breakingly timely, launching as protests for women's rights following Mahsa Amini's death surged across the country. Veronica Ryan, 66, who in Hackney last year created the first public memorial to the Windrush generation — cast sculptures of breadfruit, custard apple and soursop, carrying memories of her native Montserrat — won 2022's Turner Prize. The Hayward's glamorous *In the Black Fantastic*, showing how African diaspora artists in the US and Britain use myth and magical realism to address racism, was a revelation.

As global borrowing and touring blockbusters returned, collaborative ventures produced sumptuous historical exhibitions. Tate's unmissable Cézanne retrospective, a foundational story of modernism, organised with the Chicago Institute of Art, benefits from superb loans from the US: a roomful of Mont Sainte-Victoire pictures, another of tilting tabletop paintings (to March 12). *Mondrian Evolution*, unveiling the full scope of the Dutch artist's path from figuration to abstraction, is a twin project of Basel's Fondation Beyeler and Düsseldorf's Kunstsammlung (to February 12). *Monet — Mitchell* brought Baltimore's rapturous, overdue retrospective of the Abstract Expressionist Joan Mitchell to Paris's Fondation Louis Vuitton, which stages a splendid face-off between Mitchell and late Monet (to February 27).

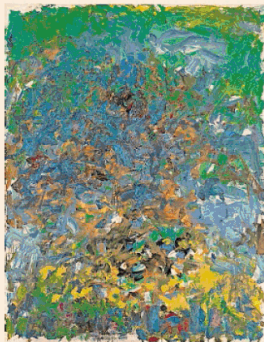
Small was beautiful too. London's art year began with Gainsborough's "Blue Boy" returning glowing from California to greet his Van Dyck forebears, and initiating the National Gallery's series of tightly focused encounters based on stellar loans from the US. *Picasso Ingres* (a pair of portraits) and *Turner on Tour* (ravishing harbour scenes, to February 19) followed. Inspired cash-strapped curating.

Two European shows are once-in-a-lifetime events. *Donatello: The Renaissance* proudly declares its subject "the father and the symbol of an era in western art", a radical assertion in our age of relativism and decentering. In Florence, this majestic, moving exhibition was inaugurated in each of its venues, Palazzo Strozzi and Museo del Bargello, by



Unheard voices roar into town

Visual arts | It has been a year of breakthroughs and comebacks, writes Jackie Wullschläger



Left: 'La Grande Vallée' (1985) by Joan Mitchell; Right: 'Sleeper' (1994) by Paula Rego

Donatello's contrasting "Davids", the marble biblical hero and the sexy bronze symbol of liberty. In reduced version, *Donatello* is at Berlin's Gemäldegalerie (to January 8), then arrives at London's V&A in February; both museums contribute key loans.

Its rival as the exhibition of 2022 is the Louvre's spectacular history of still life, *Les Choses* (to January 23), unfolding the genre's emergence as a victory of the secular mindset — Rembrandt, Chardin, Goya, the meeting between Jan Davidsz. de Heem's monumental "La Desserte" and Matisse's cubist version of it, lent by MoMA. A deeply French show, rooted in Enlightenment tradition, it breaks loose nevertheless from western-centric models and faces geopolitical realities: the opening piece, soaring up the Louvre's pyramid, is Barthélémy Togue's 18-metre column draped with forlorn baggage, "The Pillar of Missing Migrants".

Old versus fresh names, erudition versus access, the best art versus inclusive narratives: every cultural institution treads these tightropes, fascinat-

Above: 'The Procession' by Hew Locke, Tate commission; Below: 'Rebel' (Portrait of Zinat Moadab') (2021) by Sobeha Sokhanvari



ingly evident in the year's launches of so many pandemic-delayed new or reconfigured museums.

On Oslo's waterfront, Norway's £500mn National Museum became home to Munich's most famous version of "The Scream" and Harald Sohlberg's "Winter Night in the Mountains", an icon of Scandinavian painting, but the first work visitors encounter is a protest piece — an installation of reindeer skulls by Maret Anne Sara, an artist from the marginalised Sámi community.

Antwerp's neo-classical Royal Museum of Fine Arts, reopening with glossy white cube galleries boxed into its once-elegant courtyards, smashed chronology in favour of "mood" rooms (Amusement, Pain, Impotence) and choreographed its august Flemish collection as comedy: giant burgundy plush climbing-frame camels survey Rubens' "Adoration of the Magi"; Adriaen van Ostade's tavern scene hangs crooked, tilting like the drunk it depicts.

Glasgow's marvellously refreshed, eclectic Burrell collection — treasures from Persian carpets to Gothic carvings to Degas, in glassy galleries giving on to parkland — is let down by rapid or his-

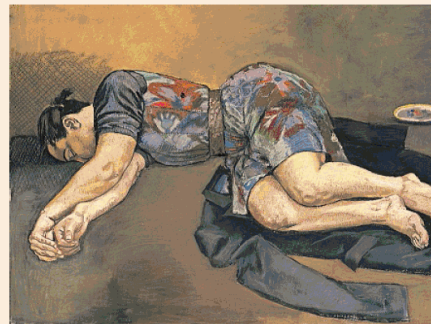
Collaborative ventures produced sumptuous historical shows. Inspired cash-strapped curating

torically tone-deaf captions. A Tang dynasty "Dancing Girl": "Do you like to dance? This girl does!" Two Qing Buddhist sculptures of "Guanyin": "Trans people have always existed... Figures like Guanyin show this... Trans rights are human rights. Be more Guanyin."

The 21st century's politicisation of art is so potent that one can hardly imagine it otherwise, applied to history's greats, even though the results are often risible, with Tate the worst offender. Its caption for a painting of trees — "Would there even be a Cézanne without colonisation?" — became the year's byword for a particular sort of irrelevant ideological idiosyncrasy. Tate's shows driven by diversity or political agendas, rather than quality, inevitably disappoint, however worthy the message: the messy *Surrealism Beyond Borders*, Cecilia Vicuña's ecology lecture "Brain Forest Quipu" (to April 16) in Tate Modern's Turbine Hall.

And yet: for many of our epoch's greatest artists, the personal has always been political, and more than ever this enriches visual art at the cultural centre. The tremendous solo show of Paula Rego's provocative, fantastical renderings of women's experiences blew away everything else in Cecilia Alemani's main exhibition in Venice. Thirty years ago, Rego was scarcely known; by the time of her death in June she stood among the world's leading figurative painters.

Contemporary exhibition of the year was the Royal Academy's *William Kentridge*. This sensuous, mesmerising draughtsman and inventive animator/film-maker walks between paper and camera, European high cultural allusion — German Expressionism, Manet, Mayakovsky, Kafka — and critique of post-colonial brutality and injustice, in his native South Africa and globally, seeking "an art (and a politics) in which optimism is kept in check and nihilism at bay". He is a beacon in troubled times, his work emblematic of art's capacity to enlighten, entertain and enthrall.



'Film is only 130 years old. We should still be playing with it'

Mark Jenkin The director of 2019 low-budget horror hit 'Bait' talks to John Bleasdale about making audiences feel rather than seek meaning in his new rural mind-bender 'Enys Men'

Things have a habit of getting weird around British director Mark Jenkin. On the way to the premiere of his rural horror *Enys Men*, the train carrying him and the canisters containing his newly completed film was delayed when the track was struck by lightning. It is the kind of freak event that would not look out of place in one of his darkly experimental mind-benders.

And yet when I meet Jenkin the day after the premiere there is nothing outlandish about him. He has a quietly serious manner, wears a porkpie hat and is twig-thin. "I'm a middle-aged running bore," he explains. "It's an addiction. I lost three stone in just a year. I'll say, 'I'm going to do a short run,' and then I'll come back having done a half marathon... How did I turn into this guy?"

Turning into the film-maker he is now was an even longer process: a 20-year marathon to overnight success. Born in 1976, he started as a production assistant on the 1999 BBC documentary series *Walking with Dinosaurs* before turning his hand from 2002 to making his own films: shorts, documentaries and low-budget features. But it was with *Bait* in

The film was hailed as vibrantly original, though Jenkin himself was surprised by the reaction.

"When I finished *Bait*, I thought, 'This is a pretty standard, run-of-the-mill film.' And then when it came out and people started writing about it, everybody was talking about how it was bats! crazy in terms of the form, and I became aware of that."

The film was noted for its elements of class satire as well as psychological horror, and its wry humour helped make its experimental nature more palatable. "I would sit in a cinema and think, 'I wonder how this is playing.' And I might have 20 minutes where I'd think, 'I don't know where whether this is working or not: I can't read the room.' And then there'd be a funny bit and the room would laugh and I'd go: 'OK, they're still with it.'"

With *Enys Men* (Cornish for "stone island"), Jenkin has gone from black and white to colour, but his saturated blues and reds are the hues of vintage Kodak holiday snaps — the film is set in 1975 — and, if anything, the new film is more experimental. The story centres around a woman, credited simply as

Creeping unease: Mary Woodvine (In foreground) as 'The Volunteer' in 'Enys Men'



something, it might not have narrative closure, or may not even have narrative opening." Quoting French director Robert Bresson, he argues that he wants to make films people feel, rather than ones they understand. "And if that feeling is frustration or bewilderment, at least it's a feeling of some kind," Jenkin says.

Woodvine, whose character carries the film almost single-handedly, has her own answers. "I did do a back-story," she says. "I don't think she's got children."

"If I could express myself verbally, I wouldn't go to the hassle of making a film. I'd probably write it down"

She's got a partner. I think she's self-contained. She's dedicated to nature and the world. And I think that's her reason for being, that's why she's volunteered to be on the island; to observe this plant. She is protecting and observing and bearing witness."

Thanks in part to his DIY methods, Jenkin's films are produced on an

Master of the east – and west

Akira Kurosawa | Nigel Andrews on the many cross-cultural influences of the great Japanese film-maker

In *Seven Samurai*, the 1954 film that keeps Akira Kurosawa's name forever burnished, there is a wonderful extended shot in which the ages come together. It's so subtly magical that you hardly notice it on first viewing: its spell just sparkles near-subliminally across the rest of the film.

The dashing, roguish action-samurai, played by the director's favourite star, Toshiro Mifune, is in the woodland training the villagers to defend their bandit-threatened village. Some two presences impinge. The backs of the heads of a group of children, awed and giggling, rise up in the foreground. And the two senior members of the samurai saviour-gang pass behind Mifune, wryly observing the almost-greenhorn train the actual greenhorns.

It's a comic-strip composition. Big, exaggerated detail in the front. Action and story in the centre. And to the rear, on slightly higher ground for better visibility, something like a think bubble: the present and the past passing behind the present and the future.

Kurosawa was, in all senses, a graphic storyteller. His best films are vivid, racy, pictorial. They are graphic novels on screen. They are easy-access yarns yanked along by the power of "What next?" and by the impact of images that are dazzling, sometimes even hilarious, in their compositional bravado.

Easy access? An army of fans may rise up in protest. What about 1952's *Ikiru* (*Living*), the nuanced, darkly poignant tale of a dying local government clerk,



Seven Samurai became *The Magnificent Seven* (1960). Gain, headlining action hero and a cast of Hollywood stars-to-be (McQueen, Bronson *et al*). Loss: length, character complexity and the loving build-up of an epic momentum. *The Hidden Fortress* (1958), Kurosawa's playful tale of heroes, bandits and a captive princess, became George Lucas's first *Star Wars* in 1977. Gain and loss: see above. *Yojimbo* (1961), a magnificent eastern western in which Mifune's ragged ronin (masterless samurai) runs amok in a frontier-style town, was remade in 1964 as *A Fistful of Dollars*. Gain: Sergio Leone's po-no portentiousness lending the story a witty grandiosity and gallows irony. Loss: the inspired seamlessness that makes Kurosawa's switchback plot of cross and double-cross seem a thing of unity, logic, beauty.

One other detail in *Yojimbo* deserves a mention. In the opening scene, the hero Sanjuro (Mifune) picks up a sword – or an imaginary sword. He hurls it skyward. Seconds later it plunks to earth as a bony stick. Sword and sorcery. Surely it's possible that Stanley Kubrick, who loved Kurosawa, saw that scene and reverse-imagined it in 2002: *A Space Odyssey* as a bone hurled skyward becomes waltzing spaceboy?

Most recently, *Ikiru* has been reincarnated in the west by *Living*, a touching British tribute from one Japanese-born artist, writer-screenwriter Kazuo Ishiguro, to another, set in almost the same year as *Ikiru*'s release. London in the repressed but Technicolor 1950s; a County Hall bureaucrat (marvellous Bill Nighy) living out the remains of his days; emotions at once stifled and intensified by the laser-dot moment of a looming death. For me this may be the best transplanted Kurosawa film of all.

recently remade as a Bill Nighy starrer with a script by Kazuo Ishiguro? What about those knotty noirs like *Drunken Angel* (1948) and *High and Low* (1963)? What about *Rashomon*, the intricately plotted film whose breakout triumph at the 1951 Venice Film Festival – Golden Lion, glowing critiques – opened the gates for a whole cultural diaspora?

The west was stampeded not just by Kurosawa but by the long-hidden prize herds of Japanese cinema: Mizoguchi, Ozu, Naruse. Ozu's *Tokyo Story* (1953) sits at number four in *Sight & Sound* magazine's latest all-time list chosen by critics. And though Mizoguchi's *Ugetsu Monogatari* (1953), once a top-tenner, has slipped to 90, Kurosawa's *Seven Samurai* is at 20, his *Rashomon* at 41.

Without that *Rashomon* firestorm at Venice, we might have none of this, just as without Mendelssohn's evangelism we might have no JS Bach.

Rashomon, though, to return to our contention that Kurosawa's cinema may be best at its most vividly elemental, is depicted by some as the master's masterpiece. For critic David Thomson in his influential *Biographical Dictionary of*

Cinema, the script's main conundrum – what can we make of a rape story recounted with totally different versions of truth by four characters? – is too trite for the film's elaborate flauntings of complexity. Don't we know that different folk have different strokes, some of them self-serving, when it comes to the perception of reality?

But *Rashomon* is fabulously styled and staged – of course. The genius of Kurosawa is his soaring geometries and vaulting dynamism as an imagist. There is literally never a dull shot. And he found in Mifune, star of *Rashomon* and 15 other films in the Kurosawa canon, an antic presence with acting strokes to match.

If you want to imagine this screen story without Kurosawa's stylings or Mifune's panache, try Hollywood's *Rashomon* adaptation *The Outrage* (1964): a lumbering whodunnit, even with a cast led by Paul Newman, Edward G Robinson and Laurence Harvey, hot from *The Manchurian Candidate*.

Indeed it's a telling kaleidoscopic experiment to view Kurosawa's best-known work through its western ver-

Clockwise from main picture: Akira Kurosawa filming 'Dersu Uzala' in 1975; 'Dreams' (1990) featured Martin Scorsese as Van Gogh; Toshiro Mifune, star of 16 films by Kurosawa

Picture: Getty Images/Alamy

Below: Kurosawa with Francis Ford Coppola and George Lucas during the filming in 1980 of 'Kagemusha'



Private collections and fair revivals power a year of plenty

The Art Market The Paul Allen sale raised \$1.6bn. Paris challenged London even more closely for European primacy and all eyes are turning to Asia for 2025. By Melanie Gertlis

For the art market, 2022 was a year of taking risks, most of which paid off, as a tough 2023 loomed into view. The most obvious was Christie's staking its own money to win the prestigious collection of late Microsoft co-founder Paul Allen – with a guarantee of around \$1bn. It turned out to be a sound bet. The auction house managed to offload much of its guarantee to third parties ahead of the sales and fielded the highest-value auction ever – a \$1.5bn haul from just 60 works on November 9, with another \$116m the following day.

"Even if we had known the economic context would be more challenging by the end of the year, we wouldn't have done it differently," says Guillaume Cerutti, chief executive of Christie's. "This type of collection was always going to perform well." Bidding was deep – Christie's says there were 5.6 bidders per lot, a high number in a forum that only needs two to get going – while the auction house also reports 30,000 visitors to its in-person previews and 4m online viewers for the sales, "in terms of the image and reputation for Christie's, that's worth many communication campaigns," Cerutti says.

The Paul Allen sale helped motor the art market to what is likely to be its strongest year since records began,

Solinger and fashion designer Hubert de Givenchy, an auction that cemented the power of Paris in the art market. Despite the uncomfortable economic and political backdrop, the combination of brand-name art from brand-name collections proved irresistible to the wealthy. "Great quality doesn't grow on trees," says private dealer Emma Ward.

The seeming disconnect with the outside world was made stark at the London season in early March. Held within days of Russia's merciless invasion of Ukraine, these sales turned over more than £500m, the season's strongest

"The energy is great and the international world is coming to Hong Kong, including from China"

total since 2018. The top price was £594m for René Magritte's "L'empire des lumières" (1961) at Sotheby's. With some older-generation dealers seemingly ceding their powers, most notably Marian Goodman (now in her nineties), other gallerists are staying in growth mode, perhaps hoping to capture some big-name artists – it was the already-mega David Zwirner who hit

Frieze, came to Paris and Seoul respectively this year and increased momentum in both capitals. "I have been travelling like a lunatic," says Ward, who this year set up her own business in partnership with Moretti Gallery.

Art Basel helped power Paris to another strong year as the city vies with London as a European hub. "Buyers here have changed a lot, they are more international and younger, the Paris market has come a long way," says Nicolas Orlovski, owner, chair and chief executive of homegrown auction house Artcurial. His business posted a record year of sales and he acknowledges the Brexit effect: "Paris has been a little more in the spotlight these past few years, which has helped everyone here."

The year ahead brings launches in Singapore – Art SG arrives in January – and in Japan, where Tokyo Gendai opens in the summer. Both come courtesy of the Art Assembly, a loose tie-up of three longtime art-fair organisers who know how to navigate the risks of opening large events around the world. The outstanding questions for 2023 surround the sustainability of these proliferating fairs for a tired planet. "Environmental sustainability is an issue we take very seriously," says Magnus Renfrew, global director of the Art Assembly. "We have moved entirely to LED lighting and now use appropriate offsets for our staff travel standard."

In China, where demand for art has helped power the market in recent years,

the country's zero-Covid policy hampered activity in 2022 – two fairs were shut down midway on the back of one confirmed case in November. China's imposition of its political might continues to dog Hong Kong as a trading centre, but art businesses are still placing longer-term bets here. In the spring, Phillips will expand into a 50,000 sq ft headquarters in the West Kowloon Cultural District, close to the M+ museum that finally opened in 2021, while Sotheby's will open a 24,000 sq ft building in Central in 2024. Now that Covid restrictions have eased considerably in the territory, the hope is Art Basel Hong Kong can have a relatively normal outing for the first time in four years come March.

There is still all to play for in the region, says Elaine Kwok, Asia managing partner of Hauser & Wirth. "People came to Hong Kong even during lockdowns. Now it is better than ever. The M+ museum looks amazing, the energy is great and the international world is coming, including from China," she says.

Overall, collector tastes have shifted slightly towards abstract art from the previously dominant figurative works, an age-old cycle. At the higher end of the price scale, purchases seem to have narrowed even more towards tried-and-tested artists, while at the speculative end, the money is sticking with artists

artists' year-on-year share of the market fell from an already paltry 4 per cent in 2021 to 5 per cent midway through 2022.

Last year's craze for art backed by non-fungible tokens all but disappeared this year, as the crypto industry crumbled, with bitcoin down more than 60 per cent (at time of writing). Yet despite the cold winds, art businesses continue to explore the potential of blockchain to overcome some of the market's many inefficiencies.

Decorative arts, including furniture and textiles, proved this year's money-spinners, boosted by brand-name collections, including Givenchy's and that of Qatar's Sheikh Hamad bin Abdullah Al Thani, whose thousand-plus items sold from the Hôtel Lambert in Paris through Sotheby's for €76.6m in October.

At the end of this year, though, there's a sense the art market is finally feeling the pinch. As the word "recession" punctuates conversations, even the rich might stop getting richer. "The truth is," says private dealer Ward, "none of our buyers really need another artwork. It's our job to sell more than its commercial value."

Christie's Cerutti says: "We need to be realistic about the world situation and the consequences on the art market." But he takes confidence from the performance of sales in a challenging year. He recognises that the Allen sale was an



Life&Arts

FTWeekend

SNAPSHOT

'A Year in the Life of Chew Stoke Village' (1992) by Martin Parr

Photographer Martin Parr embedded himself for this series in the rhythms and quirks of a quintessential Somerset village. Documenting pints in the pub and community fetes, sun-drenched cricket and Women's Institute baby weigh-ins, he found a place removed but not entirely insulated from the forces that had reshaped the UK over the previous decade. Exhibited for the first time in 30 years with more than 200 previously unpublished shots, "Chew Stoke" distils Parr's ability to capture and elevate



untold social histories. These women, gathered at a party, are celebrated in their revelry, the gritty realities of lives overlooked by rural fictions and urbane condescension. **Alastair Bailey** 'A Year in the Life of Chew Stoke Village' is at the Martin Parr Foundation, Bristol, January 19-April 9

What to look for in a restaurant

Janan Ganesh

Citizen of nowhere



Sri Prat in Bangkok, Bavel in Los Angeles and Kudu in London stand out in a sublime year of dining. If I overspent on restaurants in 2022, it was to avenge all those pandemic-era claims that I wouldn't get the chance again. Some of the terminal prognoses for nightlife (and for air travel, and for cities themselves) were written more in glee than in sorrow. Their authors wondered if modernity was worth the candle: if our species might not be happier living simply. A gentleman would forgive those nature-is-healing merchants. I demand show trials and the pillory.

For the rest of us, there is more eating out to be done in 2023. And I am better qualified than most as a guide. Here, then, for the less seasoned diner, is what I look for in a restaurant.

The view must be rubbish. Or at least nondescript. A gastropub near me is so prettily situated that it could neglect the food without losing custom. So it does. LA has miles of ravishing Pacific coastline. Almost none of the city's best restaurants are on it. Chefs who are serious about food know that a beachside setting will become a magnet for marriage-proposers and people who sing "Happy Birthday" in public. For the same reason, no restaurant that isn't a crucible of ghostliness was ever found in a skyscraper.

With exceptions (Hide Above in Mayfair looks on to Green Park), good restaurants try to make the outside world an irrelevance. I have been to The Clove Club upwards of 40 times

over the past decade. As I write this, I can't picture the view from its dining room windows. The back side of an office building, I think.

The kitchen must be unconfidential. That is, it must be visible to the diners. It is harder for the chef to mistreat juniors when there is a live audience. It is harder for diners themselves to make vexatious complaints when they see how the staff toil. As well as being a spectacle in and of itself, an exposed kitchen has a civilising, even democratising, effect on the night.

The view must be rubbish. No good restaurant was ever found in a skyscraper

Cyene in London takes you *inside* the kitchen for one course of the tasting menu. At Aulis, you can all but don an apron and join in.

Champagne must come in a wine glass. The extra volume allows the bubbles to spread out and the fruit to come through. Drink from a flute, and you more or less drink air. A tulip is only slightly less "tight". A coupe is just naff. No, it almost certainly isn't modelled on Marie Antoinette's breast. Even if it were, why sully a celebratory drink with someone on history's losing side? The flute, the tulip and the coupe also attract clientele of a self-taking persuasion. With less photogenic glassware, a restaurant can make

sure they stay at Nobu or wherever.

Staff mustn't ask if you are enjoying the meal. It is needy and almost never incurs an answer other than "yes". Or it encourages the "I could make this at home" kind of diners. The customer isn't always or even generally right. A good restaurant will, like The Economist, which has no online comments, maintain a polite distance from the audience.

The neighbourhood must be hipster. A rule of thumb, not an iron law, but one that holds in most western cities. The reason high-street coffee, supermarket ice cream and almost everything else is better than it was a generation ago is because pretentious ectomorphs in thick glasses tried something new in their own districts. Their ideas then diffused, in weakened form, to the masses, as haute couture works its way into Zara after a lag and much dilution. What and how a city eats is to a large extent decided in its bohemian quarters several years earlier. So go straight there. Were I barred from all restaurants that didn't have an E or SE postcode, I'd shrug.

Wherever you dine in 2023, remember those who thought, and in several cases hoped, that such a life would never return. It turns out that people need contact with or even just sight of one another. That much is obvious in the packed Emirates stadium. It is obvious in the queues at Heathrow. And this is a recession. (Human) nature did heal.

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Andor and the return of appointment TV

Esther Bintliff

Trending



December 1988. A terraced house in a village in North Yorkshire. The television, a faux wood box on legs with a convex screen, is the centre of attention. My brother and I sit on the tufted carpet and gaze at the box adoringly, opening our little hearts and minds and guts to the incoming emotional rollercoaster.

People talk about appointment television. At an age (seven) when I literally had no other appointments, the BBC's *The Lion, the Witch and the Wardrobe* was an unmissable event. The days between weekly episodes in the run-up to Christmas passed in a haze of anticipation and frequent spot checks with my parents: "Is it today? Tomorrow?" Fast forward to 2022. Everyone binge-watches, nobody waits. So it was with some surprise that I found myself last month absentmindedly wondering, is it today? Tomorrow?

The show this time was *Andor*, a 12-part series from Disney Plus that landed in weekly instalments from September. Like the Narnia adaptation of my childhood, it's a tale of good and evil, power and rebellion, cruelty and sacrifice. It really gains altitude in episode three, but even from the first noirish episode, through which our hero (a magnetic Diego Luna) hurries and hides and occasionally runs, hooded and afraid, through sheets of rain, I was hooked. *Andor* is named after its protagonist, but it's really about fascism: the way some people crave its clear lines and hierarchies and all-consuming order, and others rebel against it with every sinew, and still others carve out a place in the middle, collaborators or double agents or citizens keeping their head down and hoping to survive.

Andor is my favourite show of the year, but when I mention it to people, the usual reaction is a blank look and then, "And/or? Is that the name?" It's SO GOOD, I say, you have to watch it, but then someone mentions *The White Lotus* season 2 theme song or a meme from *I'm a Celebrity* and everyone moves on. What makes a series cut

through the 100,000-plus hours of content now available on streaming platforms? More importantly, what makes one worth waiting for? I should probably tell you that *Andor* is a Star Wars show, one of those increasingly ubiquitous spin-offs that litter our cultural landscape. I delayed mentioning it because unless you're a fan of the franchise, it might put you off, and that would be a shame. You don't need to have seen any of the approximately three million Star Wars-related films, shows or animated series to enjoy it. There's no Darth Vader, no lightsaber battles. It is grounded and corporeal and builds tension with a mastery that is entirely typical of showrunner Tony Gilroy, who wrote the *Bourne* trilogy and *Michael Clayton*. In the second episode, a man stands

The best sci-fi turns alternate realities into mirrors in which we briefly catch our own reflection

in a bell tower, lifts two hammers from a wall and raises one above his head. He grunts. He swings. Clang. As one arm rises, the other falls. Clang. Is it a call to prayer? A warning? The music the hammers make, and the scene as a whole, is both jarring and thrilling. The precise sound was the result of hours of experimentation by Nicholas Britell, *Andor*'s composer (who scored *Succession*, *Moonlight* and *The Big Short*) and Gilroy, using warped pipes and other objects in the latter's basement. The bell-ringer, whose name we never learn but whose title in the credits is "the Time-Grappler", sounds the anvil to mark the start and end of the working day.

He's one example of a world so richly imagined that you sense it continuing when you turn off the TV. The Time-Grappler's home, Ferrix, is part of a free-trade sector in an increasingly authoritarian empire, and its rhythms are not spiritual but capitalist.

Everyone works, everyone is tired. Objects and robots are smeared with soot or tarnished with rust, half broken or many times mended.

"This is a kind of kitchen-sink sci-fi, or, as the critic Patrick Freyne wrote in the Irish Times, "Mike Leigh's Star Wars". The bureaucrats running the empire are devastatingly human and familiar, avatars of the modern workplace, embodying Hannah Arendt's "banality of evil" and totally relatable in their petty rivalries, snafus and jockeying for favour.

Two of the most successful streaming properties this year, according to Nielsen, have been Netflix's *Dahmer*, a controversial true crime drama about the serial killer, and *The Crown*. Both plunge viewers into detailed recreations of recent history, and honestly, I have no interest in watching either. Science fiction transports us out of the world we know so well, but the best of the genre turns alternate realities into mirrors in which we briefly catch our own reflection. In 1973, the American novelist Ursula K Le Guin defined the essential function of science fiction as "distancing, the pulling back from 'reality' in order to see it better".

The real reason *Andor* is exceptional, though, is not in the world-building, the plotting or the contemporary resonance. You can find these in many TV shows these days. It's in something rarer: characters you care about, whose lives feel real, whose fates weigh on your mind. Just as my seven-year-old self felt bound to Lucy Pevensie and the White Witch, so Luna's Cassian Andor, Stellan Skarsgård's Luthen and Denise Gough's rigid, sadistic Pedra have stalked my consciousness this month. At one point in the final episode, which is so tightly scripted and scored that you can barely take a breath, a character gives Cassian a message from his mother and I felt the hairs on the back of my neck stand on end. That's a TV show worth waiting for.

Esther Bintliff is deputy editor of FT Weekend Magazine

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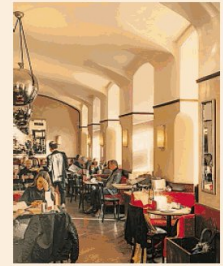
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Someone earning more than €90,000 in Vienna pays 50 per cent tax but they get a lot in return in terms of culture, infrastructure and housing; (above) the historic city square Michaelerplatz
Photographs by Julia Hiltnerberger for the FT



the population live in subsidised housing, including middle-class families and young professionals. Unlike London, nurses, teachers and public servants can afford to live in the centre.

Competition for rental homes in London is now at an all-time high. According to Rightmove, the average monthly rental price in London is now £2,343, a rise of 16 per cent in the past year. The average rent in Manhattan is now over \$5,200 a month, up 19 per cent.

In Vienna, the wide availability of subsidised housing has moderated rents in the private sector – the average monthly price for a 60 sq m flat in the city is €767, according to the Mietspiegel rental index for 2022, with social rents significantly lower. Added to that, tenants have high levels of protection against rent rises and evictions. Having a comfortable and affordable roof over your head is critical to a sense of security and happiness – and, some economists have argued, productivity. Across London, average rent accounts for nearly 40 per cent of a renter's gross salary.

To understand Vienna's housing policy, you need to go back to the end of the first world war and the birth of Austria. The Habsburg empire had collapsed, and Vienna went overnight from being a wealthy imperial city to an overcrowded capital of a small country. With huge numbers of displaced people, a quarter of its population was homeless. Some built makeshift shacks in the woods, where they froze in the bitter winter cold.

"Vienna was a dying city," explains historian Wolfgang Maderthaner. "Dying financially but also people were dying of disease including TB, which was so common they called it the Viennese disease."

Then, exactly 100 years ago, in 1923, Vienna City Council, run by the Social Democrat Party, took the innovative decision to build 25,000 units of subsidised public housing for the poor, financed by new taxes on land, rents and luxury goods. "They taxed champagne, brothels, fine dining, horseracing, cars," says Maderthaner, explaining that the establishment of a new federal constitution under the First Republic made Vienna into an autonomous province. This was critical. Vienna was able to raise its own taxes and, in doing so, the capital became a socialist bastion in a conservative, Catholic country. Apart from seven years under Nazi rule, it remains so.

One of the early housing estates to be built was Karl-Marx-Hof, which is still

Continued on page 2

Lessons in liveability

As world cities suffer from crippling rent rises, what can we learn from Vienna's housing market, a success story 100 years in the making? By *Kirsty Lang*

The most famous New Year concert in the world is performed in Vienna and beamed to millions across the world under the golden ceilings of the 19th-century Musikverein concert hall. Vienna is synonymous with classical music, having been home to Haydn, Mozart, Beethoven and Schubert. It's also a city synonymous with coffee houses, a place where in the early 20th century artists, writers, philosophers and political radicals gathered – including Klimt, Zweig,

Wittgenstein, Freud, Trotsky and, of course, Hitler. Later as the frontier city of the cold war, Vienna acquired a new infamy as the City of Spies.

But there is another Vienna, a 21st-century version that most tourists don't see. This contemporary version of Vienna is famous for its high quality of life and for consistently coming top of the Global Liveability Index.

"Vienna is a city where you can choose what century you want to live in," says the political scientist Ivan Krastev from the IWM institute, who

has made his home in the Austrian capital for more than a decade. You can time travel (on foot) from the cobbled streets of the old medieval centre through late 19th-century Art Nouveau and Viennese Modernism and then jump on to the cheap, highly efficient public transport network to visit a building by Zaha Hadid (who got her first commission in Vienna in the 1990s) before admiring a 21st-century eco-housing development – all in the space of a couple of hours.

According to the Economist Intelligence Unit, the liveability score of a city is calculated on several factors: healthcare, culture, environment, education, infrastructure and security. Vienna comes out top in nearly every category.

Along with Denmark and France, Austria has the highest top personal income tax rates in Europe, so someone earning more than €90,000 pays 50 per cent tax. But they get a lot in return. With cities such as London and New York becoming unaffordable to anyone but the wealthy, is there much to be learnt from the Viennese model?

I moved to Vienna from London last summer and marvelled at how my annual public transport pass costs €365, one euro a day. An annual travelcard for inner London costs more than €1,800 – about £5 per day. I was also struck by how many cultural events I could attend for free, from talks by leading writers and thinkers to open-air cinemas.

"Culture is in the DNA of Vienna, but we invest a lot of money trying to make it accessible. Nobody is excluded on the grounds of wealth," says Veronica Kaup-Hasler, the city's minister for culture and science, who had a career in theatre



'The council puts a lot of effort into avoiding ghettos. Social housing is not stigmatised in Vienna. People are proud of it'

before entering politics. She proudly explains how welfare recipients are entitled to apply for opera tickets. During the pandemic she inaugurated a free outdoor music festival that now takes place for six weeks every summer in city squares, council estates and old people's homes. When I mention how many good independent cinemas there are in Vienna compared with London, she says the city subsidises those too.

But the thing that really surprised me when I moved here was how reasonable the rents are compared with London, New York and most other European capitals. The reason for this is Vienna City Council's radical social housing policy. It is the largest municipal property owner in Europe. Some 60 per cent of



If it's the right home it's the right time.



House&Home

Inside London's rental crisis

When my friend and I started hunting for a rental flat in the south-east London district of Peckham over summer, we didn't expect the search to be quick. But six months, 50 viewings and a dozen or so rejected offers later, we're still looking.

After boomeranging back to our family homes not long before the pandemic started, the two of us had unknowingly decided to re-enter the rental market during its most chaotic period in a generation.

In the autumn, rapidly rising mortgage rates slammed the brakes on the capital's runaway sales market — but for renters like us, the crisis rages on.

We've queued around the corner to view properties, offered to lock in for 24-month contracts and even bid on apartments before seeing them — all in an attempt to beat the competition. But to no avail.

Compared with 2019, demand for two-bedroom properties in London is up 59 per cent, while the number of places available to rent is down 35 per cent, according to Rightmove, the UK's largest online property portal.

"It's like everyone who left London or went back to Mum and Dad's during the pandemic was in the same WhatsApp group and decided the very



As one agent confided in me during a viewing, she saw it as "part of [her] job" to incite a bidding war. In an extreme case, a friend lost out on a two-bedroom flat on the market for £2,000 a month to a young couple with a baby who bid 50 per cent above the asking price out of fear they would be left homeless with a newborn.

As a result, the average rental price for a two-bedroom flat in London currently stands at nearly £2,200, 18 per cent higher than last year. But it's not just price that landlords are dictating in a seller's market.

In August, my friend and I had a bid accepted on a two-bed flat in East Dulwich, which neighbours Peckham, but only after a 45-minute interview with the landlady and her property manager in which they pried into our personal lives.

In order to finalise the offer, they wanted to see three months of bank statements to check whether we spent excessively on credit cards or gambling. We initially hesitated before sending the documents, and our reluctance made us appear "untrustworthy" and they voided the offer.

Along with more exacting checks on tenants, landlords are also choosing renters with higher income ratio than before to "recession proof" their rental agreement — just in case one of the tenants loses their job, Byfield tells me.

same week: "Should we all move back?" says Kristian Byfield, co-founder of the London-based letting agency Base Property Specialists.

What really happened was the mass return to cities post-lockdown, combined with ballooning student populations — and would-be buyers getting priced out by high mortgage rates — swamped the rental market with demand.

Meanwhile, Britain's rental stock of 5.5m homes has been more or less flat for the past seven years, according to Zoopla, as home building falls below targets and landlords sell up because of higher taxes and tighter regulation.

It's now common to get up to 70 inquiries per flat and to close listings within a few hours, says Byfield. And more unscrupulous landlords and letting agents are using the imbalance in supply and demand as "an excuse to take advantage" of prospective tenants, he adds.

As one agent confided in me during a viewing, she saw it as part of her job to incite a bidding war

At least some of the heat has been let out of the rental market in recent months — though much of this is down to the usual seasonality of the market. In November, the average member branch of UK estate agent body Propertymark registered 77 new rental applicants, down from an all-time high of 147 new applicants in September but still above the pre-pandemic average of 61 new applicants for November.

Lucy Morton, head of UK residential agency JLL, says the market is unlikely to calm down anytime soon. "I've never seen the market as frenetic as it is and next year I think it's going to be frenetic again," she says.

In October, my friend and I had a second offer accepted by a couple in the process of buying a bigger property in the suburbs to accommodate their growing family, while planning to rent out their old place in Peckham. But as mortgage rates soared in the aftermath of Liz Truss's "mini-Budget", the chain on their new property purchase collapsed, nixing our rental agreement along with it.

For a lot of tenants, the rental market amounts to "shouting into a cave and getting nothing back", Byfield says. As for my friend and me, we've resolved not to try our hopes up if and when our next offer is accepted. Still, roll on 2023 — fingers crossed it will be third time lucky.



Oliver Barnes

Perspectives



(Above) Amalienbad, Art Deco public baths which social tenants were given access to in the 1920s — Julia Hirtzberger

Liveable Vienna

Continued from page 1

in remarkable condition. The city spends a lot of money maintaining its public buildings, and it shows. The Red Vienna Museum leads tours of the estate twice a week.

"The idea was to build housing that was affordable, hygienic and beautiful. They believed that the right to beauty should not just belong to the rich," says historian and curator Julia Schranz, our guide. To that end, the city hired the greatest architects of the day and installed plenty of public art. The left referred to it as a Versailles for the Workers, while the right complained the proletariat would feel uncomfortable in such grandeur.

I can't think of another city where public housing is a visitor attraction. But in Vienna tourists flock to the Hundertwasserhaus, a wacky, multicoloured social housing complex covered in mosaics and plants. Almost every new development is subject to an architectural competition, which means there's a variety of aesthetics instead of the grey, Brutalist concrete blocks that blight so many European cities.

"Vienna City Council puts a lot of effort into avoiding ghettos and building mixed communities," says the architect and writer Maik Novotny, who has chronicled the differences between public housing policy in London and Vienna. There isn't the huge divide that there is in Britain between homeowners and people who live on estates. "Social housing is not stigmatised in Vienna. People are proud of it," he says.

Ever since Margaret Thatcher introduced the Right to Buy policy in 1980, which allowed tenants to buy their own council homes, Britain's supply of affordable housing has been in decline. Today, about 20 per cent of London's population lives in some form of subsidised housing, according to official data, compared with 60 per cent in Vienna.

As far back as the 1920s, healthy living has been a pillar of Vienna's housing pol-



(Above) Public transport is cheap; (below) Karl-Marx-Hof housing estate



public baths. One of the newest social housing developments in Vienna even has swimming pools on the roofs for residents. Under legislation passed since the millennium, 50 per cent of all new developments must be green spaces.

The mayor, Michael Ludwig, likes to draw a direct line between his adminis-

Added to that, in 1945, Vienna became a frontier city between east and west, just 50km from the Iron Curtain, cut off from its age-old trading routes in central Europe and the Balkans. It became the city of Graham Greene's *The Third Man*, a place for espionage and intrigue but that didn't bring wealth. The tax base shrank and so did the population. The old stayed; the young left.

The novelist Daniel Kehlmann, who grew up here before moving to Berlin, told me today's Vienna is unrecognisable from his childhood, when it was grey, monocultural, depressing, with no nightlife. Two historical turning points brought changes: the fall of the Berlin Wall and Austria joining the EU in 1995.

Reconnected to the countries of its former empire, Vienna prospered, immigrants arrived from the east and the Balkans, and the city started building houses again. It is now one of the largest, fastest-growing cities in the EU, with a young and diverse population.

Given Vienna's high levels of immigration, tension between Austrians and migrants over housing is relatively

reasons for this lack of tension: "For hundreds of years Vienna was the centre of a multi-ethnic empire."

But as the population grows, private sector rents have risen significantly over the past decade. With land prices going up, there are concerns that the city won't be able to construct enough social housing to satisfy future demand.

"Many parts of the historic city which used to house migrants are now gentrifying. Private developers are renovating these old buildings and selling them to owner-occupiers," says Vassilatos. But she believes that if Vienna city hall continues to have "an active land policy", requiring developments of more than 150 units to have two-thirds subsidised housing, it can maintain social equity.

There are several types of social housing in Vienna. *Gemeindebau* are council flats owned by the city and allocated through a points-based system. Co-operatives are non-profit housing associations in which residents buy shares. Subsidised apartments are built by public-private development corporations with money invested by the city. Most of these are built on brownfield sites.

There are currently three major developments, two on the grounds of former railway stations in the centre and the third, Seestadt Aspern, is built on a disused airfield on the outskirts. I'm taken on a tour by Ingrid Spörk, who works for Seestadt Aspern Development Company, a public-private partnership set up to build what is effectively a pedestrianised new town constructed around a man-made lake.

Construction of Seestadt (city by the lake) began several years ago and is still going on. An underground line was built first and more than 8,000 people have already moved in. Most residents are young families attracted by low rents and multiple facilities for children. Spörk proudly tells me that an estimated 1,000 babies have been born here so far. Walking and cycling are encouraged through bike lanes and pedestrian boulevards. There is no gas in the

One of the newest developments in Vienna even has swimming pools on the roofs for residents

development; energy comes from a mix of renewables and geothermal sources.

If this all sounds like urban perfection, international workers don't always find it so. A recent worldwide survey of 12,000 expats found Vienna to be the most "unfriendly" city in the world. New arrivals expecting the instant superficial ease of Americans or the warm gregariousness of Italians and Greeks should bear in mind that Viennese society is reserved and quite serious. Its currency has long been ideas.

To get another perspective, I take a guided walk with a fellow Londoner who is married to an Austrian and made Vienna his home 12 years ago. Eugene Quinn is an urbanist, lecturer and DJ whose tours have titles such as Smart Vienna and Ugly Vienna. He believes there is much to admire about the city but he's not starry-eyed. "Vienna isn't as cool or edgy like London. Have a loud party late at night and your neighbours will call the police," he says, "but liveability is not about cool. It's about enjoying an easy life for you and your family. Most people live in flats, they don't have

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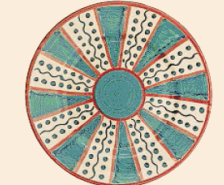


► Glass cake stand by Domestic Scene £28 Ideal for serving party treats. domestic-scenehome.co.uk

▼ Sunbeam dessert plates by Wicklewood £195 per set of six Handmade in Vietri, Italy. glassette.com



▲ Star bowls by Ecrú from \$98/98 each Hand carved from a variety of natural stones. ecronline.in



Kensington conundrum

UK property | With prime London prices expected to fall, this wealthy enclave is experiencing reductions, lower offers and choosier buyers, writes *Liz Rowlinson*

For Venezuela-born Mary Perez, it's the butcher, Italian deli and a French café in "Stratford Village" south of Kensington High Street that keeps her in the affluent west London neighbourhood. The small cluster of streets between Earl's Court Road, Stratford Road and Marloes Road, which also includes popular pubs such as The Abingdon, has a more peaceful air than the main thoroughfare of the high street with its slightly dispiriting string of chain stores.

"I love having good-quality food stores on my doorstep and the European feel of the area," says the mother of two, who works in finance, on why she's lived in Kensington for 20 years. She's just downsized from a town house to a four-bedroom apartment in a portered block near Stratford Road.

"It took a long time to find the right apartment. I believe I paid a fair price for it [she declined to say how much] but expect properties in the area to lose value now."

She's not alone. Estate agents agree that average prices in prime central London will fall next year. Knight Frank Research estimates this will be by 3 per cent while Savills says 2 per cent – while expecting the national average to fall by 10 per cent.

In Kensington, prices are softening already. Lots of Rightmove listings in WS – a quadrangle between Cromwell Road, Kensington Gardens, Notting Hill and Holland Park – have had price reductions, mostly flats. Lower offers are now being made on properties below £1m, the tranche of the market most affected by interest rates, says Andrew



La'Personne of agent Marsh & Parsons after mortgage rates rose in the autumn.

Above £1m – which takes in much of the Kensington market – buyers are often buying without financing, so rate raises are not such an issue, he says. "We have several buyers who are renting and waiting for the right house to come up for sale."

'Large houses have been selling, but only if they are on the right street, or the right side of the street'

A three-bedroom Victorian terraced house in Holland Street, off Kensington Church Street, went online last month at £3.5m; it had five viewings within 48 hours and three second viewings booked the following week, but did not receive any offers.



(Clockwise from above) Kensington Gardens; Brunswick Gardens; Kensington Palace; Holland Park



Nevertheless, it has been a busy year in the family house market – the number of transactions between January and November was 52 per cent higher than the five-year average leading to 2019 (though 7 per cent down on 2021's record level). At the same time, the average price per square foot finally overtook its 2015 market peak this year

to hit £1,939, according to LonRes. The average price of flats, at £1,544, is still 4 per cent below its market peak seven years ago, however.

New inquiries are down, says Josh Grinling of Winkworth. "After the 'mini-Budget' [on September 23] a number of overpriced properties have been reduced."

Andrew Weir, of London Central Portfolio, a buying agent, reports that buyers – including Perez – are becoming choosier. "Large houses have been selling, but only if a property is on the right street, or the right side of the street; and if the layout and everything else works for them."

According to Weir, two sales that completed in late November were to US dollar-denominated buyers paying cash. One house at a guide price of £12m near Holland Park has been purchased by a family who have been renting on the same square, he says.

When the exchange rate hit \$1.13, they thought it was a good time to buy.

The other is a three-bedroom apartment in a mansion block south of the high street for £3.5m. Both sold for their guide prices, he says. Weir adds the so-called "right house" is often on "the Phillimore" – the Phillimore



Continued on page 4

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House&Home

BUYING GUIDE

Fifty-five per cent of the properties sold in W8 so far in 2022 have been houses, with an average sale price of £5.10m, according to Loxies. The average house sale in Notting Hill (W1D) during that time was £5.7m.

The Royal Borough of Kensington & Chelsea is the UK local authority with the third-highest number of non UK-born residents, at 53.9 per cent, behind Brent and Westminster, according to the 2021 census.

In the RBKC, owners of homes in the middle (D) council tax band must pay £1,364 for the 2022/23 year. In Enfield, the London borough with the second-highest proportion of low-paid residents, it is £1,842.

Continued from page 3

Estate is a grid of stucco-fronted semi-detached villas and town houses roughly between Holland Park and High Street Kensington tube station.

These, and some homes on the other side of Kensington Church Street, can be more affordable than those on Notting Hill's premium garden squares, which have sold for £4,000 per sq ft in the past, according to Loxies. In March, a five-bedroom semi-detached villa on Brunswick Gardens sold for £8.4m – or £2,462 per sq ft – only about £898,000 more than it sold for in 2007.

Good schools are a big part of Kensington's appeal. Proximity to Thomas's Kensington on Cottesmore Gardens is often requested, with families especially liking adjacent Victoria Road, a long, tree-lined cul-de-sac of stucco-fronted houses, says Hermione Russell at Russell Simpson estate agency.

The last four sales in the street have been for more than £10m – with a seven-bedroom, semi-detached house selling in April for £11m. Along with Eldon Road and Cottesmore Gardens, Victoria Road is part of the De Vere Conservation area, a mix of late Georgian houses, early Victorian villas and later Victorian terraces towards Gloucester Road and Palace Gate.

"Correctly priced" properties are still selling, says Grinling. In August a one-bedroom ground-floor flat in Pembroke Place, a little square of pastel-coloured terraces south of the High Street, was



Parks and period architecture, along with good schools, make Kensington sought after: (above) Kynance Mews; (below) Holland Park
Harry Mitchell for the FT

advertised at £995,000. The flat sold at £975,000 to an Asian family buying for their daughter studying medicine at Imperial College. "The vendor, who had spent lots on interior decoration, wanted over £1m but I told her that was unrealistic. She has lost £100,000 on the property with stamp duty and refurb costs," he says.

A five-bedroom house in Stratford Road has recently let at £4,500 a week to an American family, says Sarah McIntyre, head of lettings at Harrods Estates, while there's a waiting list of overseas students for one-bedroom

flats at 375 Kensington High Street, a serviced apartment block towards Kensington Olympia with rents of £650-£675 per week.

The redevelopment of the exhibition centre to include a music venue, theatre and restaurants aims to attract new people to the area when it completes in 2024.

Oissila Lawton, originally from Paris, and her English husband Vincent love the Stratford Village area, having lived in Kensington for 35 years. "We didn't want to live in Notting Hill and find Kensington calmer and less built up than Chelsea," she says of their decision to stay in the area but downsize during their retirement.

"There are some very good pubs and cafés here, and [it's great] having Holland Park and Kensington Gardens so close with our two dogs," says Lawton, who is in her sixties. "Lots of our neighbours are also downsizing locally now," she adds.

So far this year, the average rent for a property in W8 is 24 per cent higher than in the same period a year ago

Kensington's rental market is still highly pressurised, with a lack of available properties causing prices to rocket. So far this year, the average rent for a property in W8 is 24 per cent higher than it was in the same period a year before. The number of rental properties



PROPERTIES FOR SALE KENSINGTON



Flat, Horton Street, £825,000

A one-bedroom leasehold apartment on the third floor of a building that is a short walk from High Street Kensington Tube station. The property, which measures about 40 sq m, has an annual service charge of £1,750. Available through Marsh and Parsons.



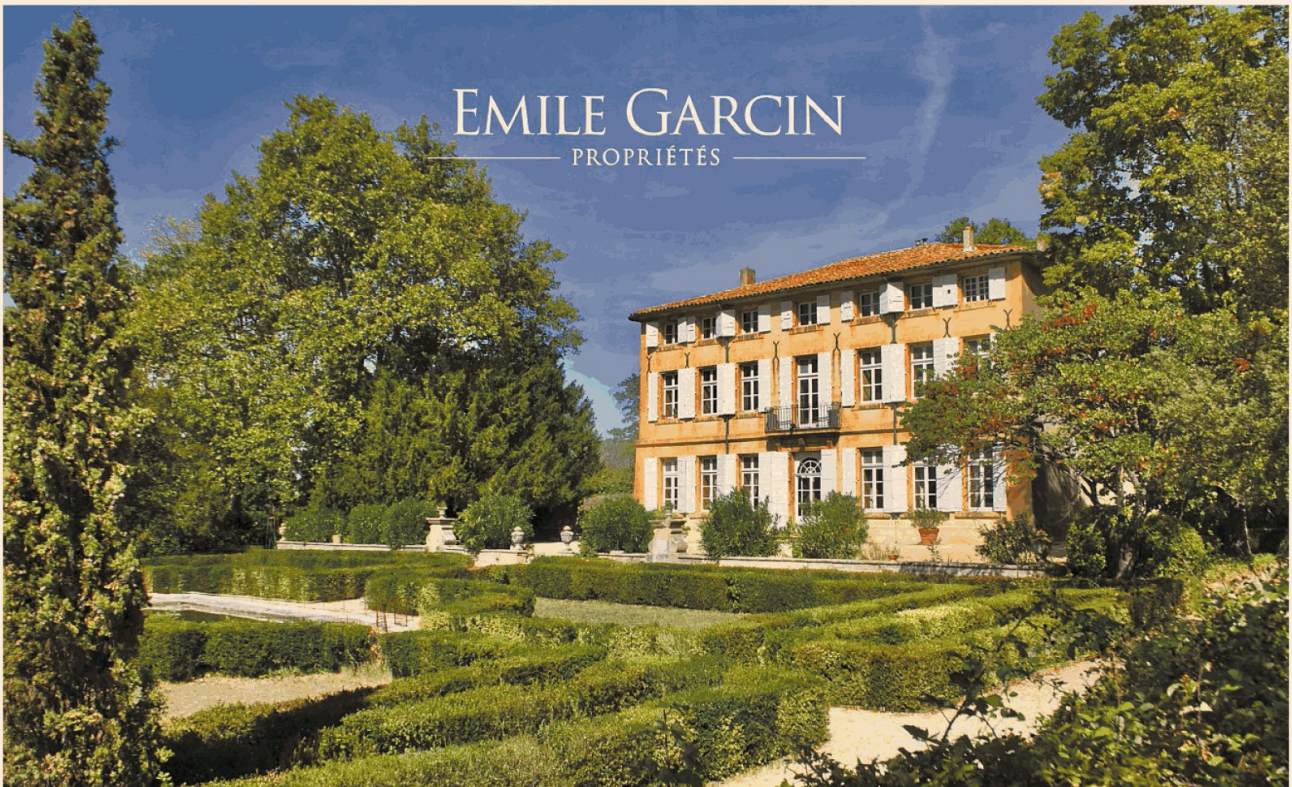
House, Inkerman Terrace, £4.2m

A four-bedroom terraced house on a section of Allen Street in the "Stratford Village" area. The property, which measures 204 sq m, is arranged over four floors. There are two reception rooms, a garden and two bathrooms. Available through Knight Frank.



Renovation project, Strathmore Gardens, £8.25m

A six-bedroom double-fronted house measuring approximately 482 sq m, in need of complete refurbishment. The property, which, according to Rightmove, was first listed in April, has recently had its price cut. Through Strutt & Parker.



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(Above) Bare-root plants were used at Chatsworth House, Derbyshire; (below) oriental poppy bare roots from Farmer Gracy

How to plant bare-root plants

Ideally, plant them upon arrival but make sure the soil is frost-free and not waterlogged first. If conditions aren't suitable, keep the dormant bare-root plants cool but frost-free for a few days. A damp sack prevents them drying out — or "heel" the roots in by burying them temporarily under soil or leaf mould. Soak the roots in water while you prepare the planting area. Loosen the soil to help them grow more easily, then dig a hole wide and deep enough for them to spread out and be covered.

Check planting instructions on how deeply to plant the stem or rhizome and then backfill the hole with soil and, perhaps, mulch containing organic matter. The worms will pull this down to feed the roots beneath. Water in the plants and continue watering regularly during the first year, especially during prolonged dry spells. Keep the root zone of trees and shrubs free of weeds and grass, as they compete with each other for soil nutrients.



Chris

HG

Reasons to go the bare-root route

Gardens | Bare-root plants are more resilient and eco-friendly than those grown in pots. By *Hannah Gardner*

How many plants do you think there are in this car? asked the speaker at a recent horticultural symposium, gesturing to a presentation slide showing a well-loaded "seen better days" estate. The answer, surprisingly, was thousands. In the car was an array of young, leafless trees and the dormant roots and

rhizomes of herbaceous perennials, packed up in crates and boxes and essentially ready to replant.

"Bare root" plants are plants that have been dug out of the ground during their "resting" season, their top growth trimmed back and the roots washed. They can then be stored in the cold, the roots kept damp and protected until distribution. The practice is gaining in popularity in both public and private spaces as garden designers and home gardeners seek to reduce costs and maximise their eco-credentials.

The significantly lower price of bare-root plants is attractive — especially since 46 per cent of UK gardeners currently perceive it as an "expensive hobby", according to market researcher Mintel — but it's not the only benefit. There is the speed of establishment, the resilience and the lighter environmental footprint — the inefficient transporting of compost and pots, as well as the considerably higher heating and watering that pot-grown plants require, all add to the extra environmental cost. Bare-root growers can also harvest in response to demand, resulting in less surplus stock.

Buying bare root is plausible whether you need a large number of plants for a big landscaping project or just a few for your garden. Designer Tom Stuart-Smith is responsible for the regeneration of the gardens at Chatsworth House in Derbyshire. His sustainable approach

favours planting bare root but he points out "it's not always that easy on large garden projects — mainly as it can make the complex setting-out process more risky".

At Chatsworth Stuart-Smith's team planted one of the glades with about 15,000 plants without using any plastic, planting bare root or growing in rice pots. Stuart-Smith found this method "very successful for many plants, especially those with a big root system. A few varieties failed, it was less good for those



'At planting they have no leaves and it's cold so they don't suffer from stress at all'

online is often earlier). For best results, get your plants into the ground as quickly as possible. Autumn is the ideal time but it can be done anytime before spring. The season often closes in March. Bare-root trees and hedging often come as young "whips", "Maiden" is another term you will hear, particularly in relation to fruit trees. These may look small, but they will establish more easily and quickly catch up with larger potted plants. The wider selection of cultivars and root stocks (which determine eventual size) can be key for fruit trees.

Rosarian Michael Marriott offers an enthusiastic endorsement for bare-root roses, emphasising the two crucial benefits. The first is environmental, the second is better establishment. "At planting they have no leaves and it's cold so they don't suffer from stress at all. As the temperatures slowly rise so the roots and leaves gradually grow together," he says. Be it heirloom bourbons or modern hybrid teas, the roses planted bare root nearly always establish better and remain healthier than pot-grown ones. Be sure to plant in rich, well-composted soil for the best blooms.

Trevor White Roses is a family-run specialist rose grower based in Norfolk. His advice to customers is to "remember the longer the roses have to develop their roots during their dormant months, the better chance of them performing at their best next summer".

The timing of dormancy can vary between species. The Cayeux family has been breeding irises since the end of the 19th century in the Loire Valley. They grow 1,500 cultivars, offering 600 bare root, and export to 50 countries. Their catalogue is published in March, with the bearded iris supplied during dormancy, spanning mid-June to the end of October. The choice, quality and value for money is impressive. I make a note to think about ordering irises in midsummer as this is also the moment to lift and divide existing clumps.

Peonies have awkward, bulky roots and are another garden stalwart often supplied as plants with growth buds. The physical planting of these is less strenuous than digging big holes for hefty root-balls, and trying to establish potted plants during spring and summer can be a thankless task.

It seems we are re-evaluating traditional growers and their methods. After all, the transfer of most retail plant purchases from specialist nurseries to garden centres has only come over the past 50 years and with a heavy carbon footprint attached. Bare root is a less-fuss and low-waste approach, and may well become more appealing than a weekend visit to the garden centre and a car boot filled by just a handful of hefty, leafy plants in plastic pots.

Hot property Scottish Highlands

By Eliza Parr

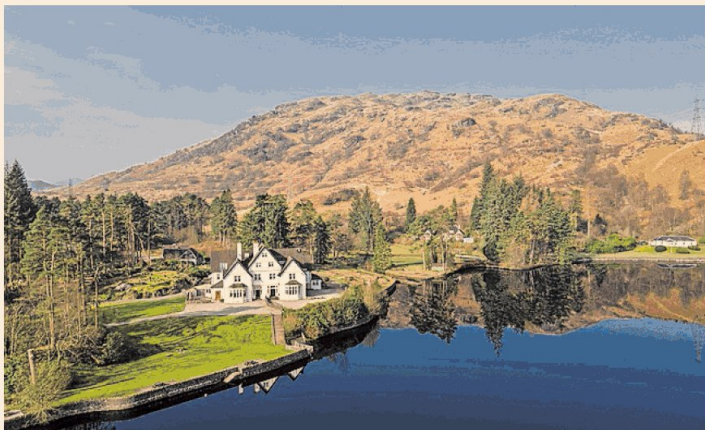
► **Converted house, Loch Katrine, Stirling, £650,000**

Where In Loch Lomond and The Trossachs National Park, at the southern border of the Highlands. The property is 30 miles from Stirling and the drive to Glasgow airport takes one hour and 15 minutes.

What A six-bedroom property in a converted country house that can be used as a family home or as a holiday letting business. There are four bathrooms, a games room, gardens and a wooded area.

Why The house, which sits at an elevated position on the banks of Loch Katrine, has views across the water from its large bay windows and a balcony in one of the bedrooms. There are also steps leading from the property directly down to the loch.

Who Savills



▲ **House, Isle of Skye, £475,000**

Where In a small settlement 26 miles west of Portree, Skye's main town. The Skye Bridge, which connects the island to the mainland, is just over one hour's drive away. From here, it takes a further two hours to drive to Inverness airport.

What A barn-like house overlooking Loch Dunvegan, with two bedrooms and one bathroom.

The seating area in the open-plan kitchen, dining and living room is centred around a wood-burning stove.

Why The house was designed by Duachas Architects, which specialises in remote sites in the Highlands. The structure is based on the traditional West Highland blackhouse, while the simple interior is in a Scandinavian Modernist style.

Who The Modern House



◀ **Estate, Isle of Skye, £900,000**

Where In a tiny crofting hamlet on one of Skye's northern tips, looking out over Loch Snizort and the Islands of Harris and Lewis.

What A main house, a traditional blackhouse and a newly built, metal-clad bothy. Each building has its own kitchen and bathroom and there are four bedrooms and



◀ **Estate, Pfitochry, Parth and Kinross, £1.2m**

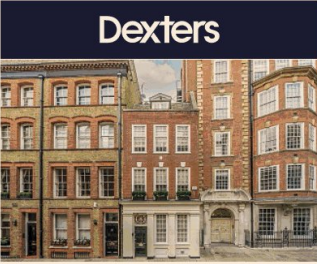
Where In a small town along the River Tummel and just below the Cairngorms National Park.

What A three-bedroom house, a two-bedroom cottage and a one-bedroom bothy. Renovated in 1992, the main house retains traditional features such as a cart arch window

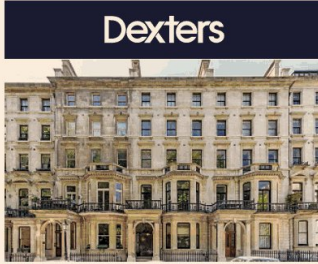
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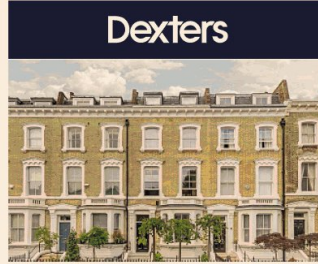
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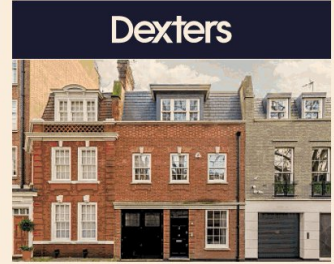
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South Kensington, London
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Dexters South Kensington Q20 7838 0108 £10,000,000
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EXPLORE NEW WORLDS

House&Home

'Truss in Boots', a panto for our times

This year, I managed to get a front-row seat for the annual badgers' New Year extravaganza in my garden

In the post-Christmas period, badgers gather in my Cotswold garden to send the old year out in style. I had been wondering if they would appear this year. Since they got their hard brood, they have been leaving my flowerbeds in peace. In the hot summer they were even said to be migrating to an easier life in London: the ground had become too hard for their claws to dig. Check your tulips, watch your dustbins: badgers are going urban.

I need not have worried. On Thursday evening, I was treated to a sneak preview of what they bill as their travelling New Year knockout. For the first time I was invited to watch in the front row.

Here is why. Since late October, a disconsolate muntjac has been hanging round my garden, scuffling up the soil in the copse between my vicarage and the village church. On Christmas Eve, I invited him up for hot milk and listened while he explained that he is not the usual sort of barking deer. He is a quasi-muntjac, but everyone spells his name as Qwasi. He is obviously barking, but not a genuine muntjac as he is more of a deer than a deer. There is a look of profound tragedy in his eyes but when I tried to discover why, he became self-assertive.

As a thank you, he left me a handsome envelope, stamped with a Downing Street crest. I opened it, expecting badger-English, but found some neatly written Latin. "Invitati estis. TRUSS CALIGATA. Media Nocte, Pridie KAL JAN MMXXIII". On the

bottom he had scratched two marks, it, beside "Tres Admittitur". A ticket for two admitting three? Qwasi was better at Latin than maths.

Truss Caligata? I got it. *Truss in Boots*, a panto for our times. As dark fell, I watched its all-ticket audience processing in columns across my lawn. An old Dorset badger was beating the drum to that funeral march that stunned us all during the procession at the late Queen's funeral. Badgers were carrying banners and pulling ceremonial carts which had not been seen above ground since the Roman conquest of Britain. In the late Queen's honour, they raised a loyal paw while young badgers helped wounded old veterans from Cumbria and Lincolnshire, official hotspots of the badger cull. Pheasants scanned their invitations, headed by a cock called Han.

Days of digging by Qwasi had piled up a stage of earth beneath my sycamore trees. Under what a fox explained to me as "institutional gaslighting", fuelled by bottles of liquid gas, a senior badger intoned the latest death toll: 176,000 killed by Defra, he began, before giving the figures for what the bureaucrats name SBCAs. There have been 11 new Supplementary Badger Control Areas this year, each with a targeted outcome. In Staffordshire, the target is a kill between a minimum of 373 and a maximum of 2,492. Misplaced precision is a bureaucratic hallmark, but the general aim is clear, to kill 70 per cent of Britain's badgers by 2025.



Illustration by Naomi Clarke



Robin Lane Fox
On gardens

After a minute's silence, the lights fell on a big white screen and a clip appeared of the Duchess of Sussex outside Nottingham Cottage, the one of her holding that garden fork upside down in her right hand and a trowel in her left, neither of which showed any signs of earth or use. As her New Year broadcast to the animal kingdom, she repeated her blog about raising "a glass to the astounding assurance... the everlasting knowing that, above all, love wins". Behind her was a clip of chickens in her suburban run in California. The foxes beside me had to be restrained.

Han Cock, the pheasant, then tried a warm-up act with some skits about his recent travels in the jungle, but he was hissed offstage and the real show could begin. Qwasi appeared beside a curvy white ferret who was standing on her hind legs with her jaws set in a fixed grin. She was wearing thigh-high boots with heels of gold, to the admiration of quite a cluster of male followers.

I remembered enough of *Puss In Boots* to follow the panto's plot.

Puss In Boots is an old European folktale, first attested in Italy in the mid 16th century and then enjoyed in French and Dutch. There is nothing European about *Truss in Boots*. In the folktale, Puss was the pet of the youngest and stupidest child of a miller: in the panto the miller becomes a Thatcher. Truss is the pet of one of Thatcher's children, a leggy llama called Jacob: she is the puss who put the moggie into Rees-Mogg. While some sickly cows moaned miserably, she and Qwasi danced to their song "Go Big or Go Home".

Freedom fighters both, they would put dairy Britannia back on her feet. In the folktale, Puss goes off to win over an ogre by charm, lies and tricks. In the panto's next scene, beneath a sign saying Fleet Street, Truss goes to dine with an ogre, but he looks just like Paul Dacre, formerly editor of the Daily Mail. In the fable Puss turns the ogre

into a mouse and pounces on him: on stage Truss charms the Dacre with her low-tax, more-milk agenda until he promises to swing the Tory press behind her.

In scene three, Truss in Boots goes to Westminster council to declare her plan; she and Qwasi will unchain the nation's dairy herd by intensifying the badger cull and setting cows free from years of TB and national decline. In late July, at her first husting, Liz Truss was indeed obstructed by protesters dressed as badgers. Not only had she declared her hatred of rodents: as secretary of the environment she had insisted that the badger cull should be rolled out and that "we will not let up". While she proclaimed her policy on stage, a chorus of Jack Russell terriers started barking in unison and holding a placard saying "Dagenham". I recalled that her nickname among young Treasury officials was Dagenham, a stop or two short of Barking.

Scene four was merciless. In the fable, Puss is the one who pretends that his bankrupt master is a nobleman whose clothes have been stolen by

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thieves. In real life, Truss seemed to believe that Britannia could borrow an entire new wardrobe of splendour, but the markets then showed they were the emperor's non-existent new clothes. On stage a gang of snarling City badgers, armed with smartphones, chased Truss in Boots and Qwasi into the faraway bushes. As she left she denounced them as the Anti-Growth Coalition, a saying which I really liked: badgers have been anti-growth for years, digging up green shoots in gardens.

The final scene on screen made me shiver. The light swirled and out of it came familiar features, Boris the Badgers' hero and Carrie beside him in that backless fuchsia pink dress, the one she wore for the resignation in Downing Street and then at Balmoral for the audience with the Queen. As they waved to the audience, ominous words sprang out at us: Coming Soon. Badgers have a habit of anticipating which way the future wind will blow.

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