Apple fades in race to conquer TV

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Body

It is the revolutionary television that gadget fans have been waiting years for. A camera recognises you and instantly personalises the screen. Ask what is on the Discovery Channel, the voice recognition understands and shows you. Call up Breaking Bad, and the device offers a choice of episodes on live TV, Netflix or its own video service.

This might have been the Apple TV that Steve Jobs had in mind when he told his biographer Walter Isaacson in 2011 that he had "finally cracked" the perfect user interface for TV.

But instead it is Microsoft's new Xbox One console, which has received rave reviews for its media-centre capabilities as well as gaming.

"Using voice to navigate around the TV experience opened my eyes to the potential with this experience. Other boxes have tried this and failed," said Ben Bajarin, analyst at Creative Strategies, in a review of the console.

A year ago, when Tim Cook, Apple's chief executive, began to raise expectations that it was about to launch a new TV product, the company's existing set-top box was par for the course in a market of humdrum streaming devices and clunky smart TVs. But now it looks in danger of being left behind by the more radical steps taken by its rivals.

As well as the Xbox One and Sony's PlayStation 4, which both sold 1m units in their first day on sale this month, Google has released its $35 Chromecast, which allows smartphone-toting couch potatoes to transmit wirelessly whatever is on their small screen to the big one. It works with most devices that can run Google's Chrome web browser.

Apple offers something similar with its Airplay feature, but it is limited to its own devices and its Apple TV receiver is three times as expensive.

At the same time, Samsung is courting developers to make apps that run on its mobiles and smart TVs, as well as touting integration between them for consumers, such as carrying over a film from a TV to a tablet when you leave the living room.

"A more advanced living room play is beginning to look like a growing opportunity for Apple," says Dan Cryan, digital media analyst at IHS. "The rest of the market has moved on a lot."

Google, Microsoft and Samsung all have viable "ecosystems" that encompass the biggest screen in the house and the smallest in the pocket, Mr Cryan says, while Apple still sits on the sidelines in TV.

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> "It would be strange for a company as involved in entertainment as it is to not try to further its involvement in the one major screen and point of interaction out there in consumers' homes that it's not already got some kind of story for."

This week, Apple paid about $360m to acquire PrimeSense, an Israeli company that provided some of the ***technology*** behind the previous Xbox's motion-sensing device, Kinect.

"Some sort of living-room appliance is in Apple's future and gesture ***technology*** could be critical," wrote analysts at Jefferies in a note to clients this week, calling PrimeSense a "global pioneer and leader in gesture ***technologies***.

"Smart TVs and gaming consoles are key recipients of these ***technologies***."

However, Jefferies analysts also described Apple TV as "the Unicorn", as it had been rumoured for so long without ever being seen.

Apple executives have been dropping hints about its plans for the TV market for almost two years. Mr Cook said on several occasions throughout 2012 that it was an "area of intense interest".

"It's a market that we see, that has been left behind," he told NBC last December in a rare TV interview. In May, he said Apple had sold more than 13m TV boxes to date, about 6.5m of which were in the previous 12 months.

<>Since then, however, Apple's progress in TV has fallen short of the revolutionary. Its existing $100 set-top box has acquired new channels such as HBO Go, ESPN, the NFL and Sky News.

But while the iPhone and iPad's user interface has seen a complete overhaul, the Apple TV still looks pretty much the same as before software design duties were handed to Sir Jonathan Ive late last year.

People who own the Apple TV box spend far more on content than those who merely own an iPhone or iPad, analysts say. In June, Apple said it sells more than 800,000 TV episodes and 350,000 movies every day on iTunes, a large portion of which is through Apple TV, generating upwards of $3m a day in revenue.

A substantial amount of that spending is believed to be from "cord cutters" who have used Apple TV to replace their cable subscription. But some analysts believe that Apple's future is more likely to be working with the existing broadcasters and service providers than against them.

Mr Bajarin says that Apple could take the same partnership approach to TV that it did with AT&T for the iPhone.

"The Xbox One has convinced me that a very disruptive opportunity exists to become the one box for TV," says Mr Bajarin, "and you don't become the one box without doing a deal with the service providers", because they still control direct access to their networks.

Apple could one-up Microsoft by striking such a deal with the ***lure*** of better ***technology*** and the opportunity for cable companies to sell more expensive services, he suggests, citing Apple's recent talks with Time Warner.

But striking many of those deals across the patchwork of satellite and cable operators in the US and abroad would be a long-term task. One former Apple employee says the company believed taking that approach was too risky because it would rely on competitors' networks for quality of service.

If Mr Jobs had indeed "cracked" how to sell an Apple TV through such networks, this person said, it would be on sale by now.

Perhaps PrimeSense and other deals can help Apple raise its game in the living room but for now, many watchers of the company still doubt its TV unicorn exists.

By Jan Cienski in Warsaw

Almost a quarter century after the Velvet Revolution swept Czechoslovakia's communists from power, the betrayals and morally awkward compromises of that era are still haunting the Czech Republic as political parties try to form a government.

Andrej Babis, a food, fertiliser and publishing tycoon who is the county's second-richest man, sponsored a new political party dubbed Ano, or "Yes", which swept to a strong second place in October's parliamentary election. But the party's efforts to enter government by building a new coalition have since been stymied by problems amid allegations that Mr Babis was an informant for Czechoslovakia's repressive StB secret police in the 1980s.

If true, the charges would exclude him from taking a job as a minister in any new government, and Ano could fracture. Czech law forbids former StB agents from government posts, and Milos Zeman, the Czech president, has said he will not appoint people without a clean record from the communist past.

The allegations emerged in newspaper reports in neighbouring Slovakia during the election campaign, but still did not prevent Ano - which ran on a pro-business, low-tax platform - from taking 18.5 per cent of the vote. That placed it behind the Social Democrats, who garnered 20.5 per cent and whose leader, Bohuslav Sobotka, was last week given the task of cobbling together a majority coalition.

Archives ***kept*** by Slovakia's Nation's Memory Institute allege that Mr Babis, who was a member of the Communist party, met with the StB in the early 1980s and later became an agent, using the code-name "Bures", informing for police on his co-workers in the fertiliser business in an operation named Oko, or "Eye". However, parts of the secret police files have been shredded.

Mr Babis, 59, denies the reports, and is suing the institute, insisting he was registered by the StB without his knowledge.

"I legally defend myself against the accusation that I co-operated with the communist secret police," Mr Babis told the Financial Times in an email exchange. "The Secret Police (StB) ***kept*** a file that I didn't know about and there is not even my signature in this file."

Mr Babis, an ethnic Slovak who speaks Czech with an accent, admitted that he had met with StB agents because he was working for a foreign trading company importing phosphates to Czechoslovakia, but says he did not inform on anyone.

The Institute says it is confident of its records. "There is generally a low probability that the pieces of evidence were fabricated as they exist in three files independent from each other," Ondrej Krajnak, the Institute's head, told the CTK Czech news agency.

The allegations haunting Mr Babis add another element of uncertainty to a Czech political landscape that has been shaken by the recent collapse of the centre-right government of Petr Necas in a sex, spying and bribery scandal. The political uncertainty is weighing on the country as it struggles to emerge from a record-long recession.

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One of the more surprising elements of the Babis affair may be how little ordinary Czechs seem to care about it. If anything, Ano continues to gain in local opinion polls.

Jiri Pehe, a Prague-based political scientist, said the allegations "don't cause strong emotions here" because there were relatively few dissidents in communist times, with the exception of a tiny but hardy group gathered around former president Václav Havel. Most ordinary people accommodated themselves to the system, he added.

Czechs voters seem more animated by the antics of the current political class. Mr Babis built Ano as a response to the frequent corruption scandals swirling through Czech politics, saying that the country's leadership had become dominated by "godfathers" linked to lobby groups.

The outcome of the October vote saw no party take an outright majority, in part because established parties lost much of their credibility. In fact, no government can be created without at least three political parties. Mr Sobotka is expected to tap Ano and the smaller centrist Christian Democrats in his attempt to form a coalition. There are already fissures between the three potential partners over whether the so-called "lustration" law preventing former spies from serving in government should be scrapped or not.

Mr Babis had wanted to be finance minister, which would allow him to push his low-tax policies in a government led by the left-leaning Social Democrats. But if the law is not changed he may be content to put in a proxy from his party.

"If the president insists on my certificate of innocence, I don´t have to be in the government," said Mr Babis. "I am excluded from the society only because somebody ***kept*** a falsified record. There is no evidence about my conscious co-operation with StB. And my conscience is clear."

Americans began their holiday shopping earlier than ever on a Thanksgiving evening marked by family outings, heavily policed queues and a rush for discounted big screen televisions.

The initial signs were that sales would match or exceed last year, but the early start appeared to spread spending out over a longer period more than it encouraged people to splash out extra.

At Walmart and ***Best*** Buy in Westbury, Long Island, queueing shoppers on Thursday night were marshalled by guards hired to prevent trouble, then headed straight for the advertised "door buster" discounts they had pre-chosen.

Edgard Maldonado was one of the first to re-emerge from Walmart, bounding out with his young daughter, a trolley full of goods, and a big smile. "I got exactly what I was coming here for," he said.

"I got my Blu-ray players, the Barbies, this for my bed," he explained, patting a large duvet. In total he had spent $236. So was the sales scramble worth it? "It is. And I love it," he said, as his wife took a picture.

Holiday buying traditionally begins the day after Thanksgiving on what is known as Black Friday, but in a fragile post-crisis economy, where ecommerce is booming, retailers started early with big discounts that are likely to sap profits.

Online sales rose by 19.7 per cent year-on-year on Thanksgiving and by 9 per cent in the hours up until 3pm on Black Friday, according to IBM Digital Analytics research. Adobe said Thanksgiving online sales topped $1bn.

Bill Simon, head of Walmart US, which released its first discounts at 6pm on Thursday, said on Friday morning that the retailer had a "great" night with shopper numbers up on last year's 22m, though he would not say by how much.

Walmart sold 2m televisions and 1.4m tablet computers. Asked how shoppers' average spend compared to last year, Mr Simon said: "I don't think that we saw a dramatic difference generally speaking."

There were scattered reports of violence breaking out among overeager shoppers at several retailers, but Mr Simon said the number of incidents at Walmart was down from last year.

Kenneth Onuorah, a Nigerian doctor, walked out of ***Best*** Buy in Westbury carrying a $325 Toshiba laptop. "I was looking for a cheaper one" from Hewlett-Packard, he said. "But when I got in, it was sold out." It was worth the effort to join the queues, he said. "But sometimes it makes you buy something you don't need."

The only obvious problem for others was fitting a 55-inch, $500 LG television into their cars. One man had put it on the back seat but could not shut the rear door. "Can I pick it up tomorrow?" he asked plaintively. "I don't know," replied a ***Best*** Buy employee.

The long weekend that begins with Thanksgiving accounts for about 10 per cent of US retail sales in November and December, according to analysts at Cowen & Co. The pressure this year has been intensified by the fact there are six fewer days between Thanksgiving and Christmas than last year.

Simeon Siegel, a Nomura analyst visiting New Jersey malls, said the traditional three-hour spending rush on Black Friday morning was fading out and being replaced by ecommerce and mall shopping stretched over a longer period.

"That's probably not healthy for your business," he said. "You start having to put more [workers] in stores, pay more hours . . . You start fighting against yourself and your competitors more."

Labour activists have criticised retailers for requiring staff to work on Thanksgiving, but most shoppers said they had managed to have a traditional meal before heading out.

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>But no one was compelled to go shopping. Except perhaps Seema Baldeosingh, who was at Long Island's Roosevelt Field mall. "I hate people. I hate crowds," she said. "Especially Macy's. It's so crowded and people are so rude."

She had been forced out to the stores by her brother and her husband, who had disappeared in search of more bargains. But it was not all bad, she conceded. "My husband scored a Perry Ellis leather jacket for $80 [at Macy's], which was amazing."

Outside Walmart, as one woman pushed a trolley with a 32-inch television on the lower rack, a late-arriving motorist ***slowed*** to yell: "Hey, is that the $100 TV?" It was. Or rather the $98 Funai screen, one of Walmart's most popular deals.

The woman with the trolley, who said her name was Sunshine, had also bought a soundbar for the TV and a Doc McStuffins toy, among other goods. But she added: "This is my last year. I'm gonna do it online next year. You get pretty much the same prices online. No more of this craziness."

From Mr Alex Turkeltaub.

Sir, The interim agreement reached in Geneva to curb Iran's nuclear programme will not only undermine the cause of non-proliferation but will also make a long-term rapprochement between the US and Iran less likely.

The Obama administration's argument for the agreement suggests that devastating sanctions have brought the Iranians to the negotiating table and, after the confidence-building impact of an interim agreement, we will be in a better position to achieve a comprehensive settlement. This perspective defies basic logic: if the Iranians were eager for a deal because of the harshness of the sanctions and yet were only willing to settle for an interim step forward, why would they give up more in six months when the sanctions are relaxed and the west's leverage is decreased? And if the sanctions were not so devastating as to encourage a full dismantling of the nuclear programme today, wouldn't the right approach have been to threaten an increase in sanctions unless a full dismantlement took place immediately?

Of course we hear the usual argument that dealing "reasonably" with Tehran "strengthens the moderates in Iran" - although who these moderates are, and why giving in rather than standing strong doesn't actually encourage the "conservatives" - remains unexplained. Most glaringly, the Obama administration has failed to inform us why reapplying the logic of America's failed policy toward North Korea is likely to produce different results with a stronger and cannier adversary.

The interim agreement not only fails to contain the Iranian nuclear programme; it decreases the incentive for Tehran to make a strategic shift and seek a broad rapprochement with the US. The major incentive for Tehran to re-evaluate its relationship with Washington was to protect its nuclear programme (and by extension, the very survival of the regime); in other words, for a broad geopolitical arrangement to have a chance, it had to be negotiated concomitantly with a solution to the nuclear issue. What incentive will Tehran now have to make further concessions or seek a broader agreement? Why would a regime that flaunted America in Syria and Iraq (which is cascading toward a civil war in which Iran is a major if silent participant) and still managed to get a good deal from the west feel any incentive to co-operate further?

The deal with Iran speaks to a fundamental flaw in America's Middle East policy: a legalism that approaches each problem individually and attempts to get the ***best*** deal possible in a short timeframe. This may result in good outcomes in boardrooms and court rooms; it's a path to disaster in geopolitics.

Alex Turkeltaub, Washington, DC, US

Co-Founder and Board Member, Frontier Strategy Group; Co-Founder and Chief Executive, Roam

From Prof Nuno Gil.

Sir, John Kay misses the point on this one ("The Olympics were a great party - but there was no gold for the beancounters", Comment, November 27). You cannot really put in the same category planning for the Olympics and ***High*** Speed 2.

Planning for the Olympics is a game that belongs to a league of its own. The International Olympic Committee unilaterally dictates all the rules of the game, picks and chooses the winners and losers, ***keeps*** the upper hand on many design negotiations, but, alas, does not supply the cash. There are way too many countries - and politicians - interested in hosting the games, and only one brand owner. This is about sports, but ironically, it is not about a level playing field.

Planning for HS2 is more similar to Crossrail and other megaprojects that require conventional planning consent. By the time the scheme leaves the parliamentary process, there is no reason to expect that promoters will not be able to have reconciled design, timescale and budget with confidence. Of course, this does not mean the budget will not evolve in planning. It will. The fact of the matter is that, in an ideal world, the promoters would never release single-point estimates in the early planning stages because they can only know how much things will cost after they finish negotiating the megaproject design through the political and democratic process. Many concessions and deals have to be made in order to beat off opponents who are competing for the same resources to do other things with equally ambiguous business cases.

Comparing megaproject final costs and early estimates without controlling for design evolution is like comparing apples and oranges. The argument that project promoters suffer from optimistic bias (ie, are incompetent) or strategically misrepresent these projects (ie, are crooks and liars) has long been a popular one. It is also hard to dismiss as it appeals to common conceptions. But it is time we shelved it. It has no scientific basis and has been a serious disservice to a serious public debate about megaprojects.

Nuno Gil, Professor of New Infrastructure Development, Manchester Business School, UK

From Mr Radoslaw Sikorski, Mr Guido Westerwelle and Mr Villy Sovndal.

Sir, Over the past 20 years, 70,000 tanks, combat aircraft and helicopters and other military equipment have been destroyed in Europe as a result of the treaty on Conventional Armed Forces in Europe (CFE) introduced at the end of the cold war. It was a major instrument in the co-operative Euro-Atlantic security architecture. It not only paved the way for the destruction of military equipment, it also established an inspection and verification regime that led to an unprecedented level of transparency.

Since then, new challenges have emerged in other parts of the world (international terrorism, proliferation of weapons of mass destruction), with serious repercussions for Europe. Former foes in the Euro-Atlantic area are facing these threats together. To make this co-operation effective we must build trust. This must stem from a stable security architecture in Europe, including a viable system of arms control and confidence-building measures.

But this system is now in crisis. Implementation of the CFE treaty has come to a partial halt. We risk losing the fruits of years of work and confidence-building. Some may ask, why bother if Europe is at peace today? In short: because recent history has shown that local and sub-regional conflicts can develop into military confrontations with serious consequences for Europe and neighbouring regions. Peace and security in the Euro-Atlantic area have not come about by themselves. Trust and confidence as a necessary basis need to be constantly earned and maintained.

We, the ministers of Poland, Germany and Denmark, met on September 27 in New York to confirm our initiative to develop a new generation of conventional arms control in Europe. The world has changed and so have the threats. Military capabilities have developed in an almost revolutionary manner. The confrontation of military blocs is a thing of the past. If we want to maintain and improve a viable system of co-operative security in Europe, we need to redesign it to take into account these new realities.

A new system must be built on the basis of existing structures and focus on confidence-building measures and increased transparency. It should confirm the basic principles of international law and neighbourly relations. Since real and perceived threats still vary among countries in the Euro-Atlantic area, a modernised agreement should, if interested ***states*** call for it, provide instruments tailored to subregional needs.

We also need to think about the capabilities of armed forces rather than the sheer quantity of equipment. Counting battle tanks or combat helicopters remains important, but to understand the true potential of today's highly mobile conventional armed forces we need a much broader approach that captures qualitative aspects and complex capabilities.

Much has been achieved through the CFE treaty. Now is the time to take serious steps towards a new generation of conventional arms control in Europe. We will work with our partners to make this happen.

Radoslaw Sikorski, Guido Westerwelle and Villy Sovndal, Foreign Ministers of Poland, Germany and Denmark respectively

From Ms Gillian Clough.

Apple fades in race to conquer TV

Sir, Christopher Carr (Letters, November 28) should get out and about more in the Swiss countryside on his side of the border. On the mountain pastures it is common practice to rake up the grass by hand after the machines have done their ***best***. There is no way of telling how severe a winter lies ahead, so it is important to maximise the yield from the limited land to feed the animals till spring.

As most maize grown in Europe is used for cattle feed, he probably saw the farmer's family doing just this on the French side of the Jura, to ensure the survival of their animals.

Gillian Clough, Zug, Switzerland

If you've been relying on foreign capital since 1788, as Australia's treasurers often like to claim, turning down takeovers is unusual. Blocking the US$3.1bn acquisition of GrainCorp by Archer Daniels Midland might be the one-off that Canberra wants to see it as. The risk is that it is not.

Joe Hockey, Australian treasurer, decided that GrainCorp's dominant position - it handles more than four-fifths of eastern Australia's bulk grain exports - meant a full takeover was not in the national interest. It is not clear how transferring ownership of an already dominant player to another that is prepared to play nicely (ADM had already proffered $200m of local infrastructure investment) is damaging to that interest.

More worrying was the "significant consideration" Mr Hockey gave to the risk that approving this contentious deal would have generated wider hostility to foreign takeovers. That sounds like another public outcry could produce a similar result.

Approving 131 investment applications, as Mr Hockey says he has, does not matter if you turn down the big ones. Ask France, whose spirited defence of Danone in 2005 before a rumoured takeover offer from Pepsi had even materialised, has become a symbol of that country's perceived hostility to foreign funds.

For a better example of the dangers of restricting foreign funds, Australians need look no further than Qantas. The airline is watching its cash-burning domestic rival suck in new capital from foreign airlines. It cannot access those funds because politicians in the 1990s deemed foreign ownership of the flag carrier not in the national interest. GrainCorp can only hope it isn't in a similar position in 2033.

Email the Lex team in confidence at *lex@ft.com*

Fancy a chicken stuffed into a duck stuffed into a turkey? How about some horse hair jewellery? Small businesses are using the targeting power of social networks to advertise to the most niche of audiences this holiday season.

From the purveyor of "Turkducken" to the makers of custom bracelets from your own horse's tail hair, the number of small businesses using Facebook, Twitter and LinkedIn has increased as the sites develop their self-service platforms to make it easier for the uninitiated to advertise.

Facebook says the great majority of its more than 1m advertisers are small and medium-sized businesses, which it sees as a "big opportunity". Twitter says 4.5m small businesses use the site, building follower bases to promote local menus and new products, though Twitter does not say how many of them pay for advertisements.

The percentage of small businesses using social media has risen in the last year, with 37 per cent saying they use Facebook, 23 per cent more than the year before, according to the American Express Open Small Business Monitor released last month. The number of small businesses on LinkedIn and Twitter have increased by more than 50 per cent, albeit from a much lower base.

Brian Wieser, an analyst at Pivotal research, said small business advertising on Facebook in particular is "growing by leaps and bounds" because of the social network's massive audience of over 1bn users. Niche companies can use the site to find customers all over the world with the same interests, he said.

"There are a good many gluten-free, dairy-free, egg-free, pizza crust makers whose market might be small but the beauty of paid search and social is they allow so much in the way of targeting," he said. "You can easily become a national and international brand."

In the last month, Facebook has given small businesses many of the tools that larger advertisers have benefited from such as 'custom audiences', which allows them to advertise only to existing customers on Facebook, and 'lookalike audiences', which allow small businesses to find people who have similar interests to their existing consumers.

For TailSpin Bracelets, the Orange County-based maker of $85 horse hair bracelets, Facebook advertising allows them to target over 5m horse enthusiasts. Divas Snow Gear, which designed a fashionable line for female snowmobilers, turned to social media after realising traditional sources of advertising would make it hard to reach this very specific audience. By using Facebook to target active women in snowy ***states***, it has expanded the business by 500 per cent in the last three years.

Facebook does not break out how much revenue small business adverts generate but Mr Wieser estimates it could be "very substantial", saying the average small business on the site might spend $1000-$2000 a year compared with the $10,000 they spend on Google. But the growth potential is even ***higher*** as a new generation of small businesses prefer social media to search, he said.

Social networks are keen to develop their self-service platforms for small business so they do not have to spend on large sales teams across the world and can maintain sizeable margins as they grow.

Debbie Williamson, a social media analyst at research firm E-Marketer, said Facebook was making a "strong effort" to court small businesses, with the aim of getting the 20m who use the free "pages" service to buy adverts.

She said Facebook had improved the once-complex process of buying adverts online last month by allowing businesses to choose an "objective" such as getting people to click on their website or redeem a special offer in-store. Before, they had to navigate a range of options from right rail adverts to native promotions in timelines themselves.

"Facebook helps by selecting which kind of ad Facebook thinks works ***best***. If a small business even has a marketing development person, chances are it is only one person," she said.

Ms Williamson said Twitter is also trying to ***lure*** more small businesses to advertise but with about 230m active users, advertisers outside major cities could find it harder to reach Twitter users.

In the right market, however, Twitter's live news feed can help some businesses ***keep*** in contact with their customers in real time. San Francisco-based 4505 Meats uses Twitter to tell its followers what it is selling. Ryan Farr, the owner, said he tried to create an entertaining dialogue on Twitter which could lead to lines outside their farmer's market stall before they even opened.

"I definitely feel that we wouldn't be the company we are now if we didn't start using Twitter so early in our existence," he said, adding it had grown from a stall to a butcher's shop and a restaurant in the last four years. "It is a way for a business that has zero capital when it starts to inform people of who they are."

On the eve of Thanksgiving, 4505 Meats was busy tweeting pictures of its "Turkduckens" to its over 10,000 followers. "So happy to be delivering Turkduckens today. Come and get them!"

China's cotton reserve sold only about half the stock on offer during its first sale this season, raising the possibility that the reserve will resort to deep discounts to clear its bloated stockpile.

The China National Cotton Reserve is sitting on about 10m tonnes of the commodity - half the world's stocks - after it built up a stockpile at inflated prices over the past few years in an effort to encourage Chinese planting.

The market had watched the first auction for signs that the reserve would begin to shed its surplus.

On Thursday, the reserve sold 12,312 tonnes of cotton, or roughly half of the 24,354 tons on offer, for an average price of Rmb17,737 per tonne ($2,900), according to the China Cotton Information Network.

Industry fears that Chinese cotton mills might sidestep the auction in favour of buying fresher, imported cotton at similar prices were borne out when only 39 of the 136 textile mills present bought lots.

The mills' purchase volume for the auction was constricted in an effort to prevent speculative trading in the cotton.

The reserve's above-market purchases over the past few years had lifted prices in China and abroad, while starving domestic textile mills of raw material.

The reserve faces politically damaging losses if it sells off its stockpile, and large sales could also depress Chinese and world cotton markets, threatening future planting.

Let's all stick pins into Derek Sach. He's the man in charge of Royal Bank of Scotland's hit squad, the Global Restructuring Group, and it seems that, just as in the movies, he's almost single-handedly blown up the great swaths of British business that were his targets.

To read two reports this week, you'd think Mr Sach's bonus depends on destroying as many viable companies as he can, before flogging the rubble at silly prices to his mates in other parts of the bank. Well, maybe. The behaviour of big banks never ceases to surprise, and seldom on the upside, but this is a bit much.

We haven't seen all the gory details of the Tomlinson report into the treatment RBS meted out to small businesses, but even the author must be surprised at the traction it's got, considering he commissioned himself to write it. However, many of the cases that we have seen have a common theme.

They are essentially about property, the great British obsession. The developers/speculators from whom Mr Sach's men pulled the rug had borrowed heavily from RBS in the good times. Had they continued to roll, the borrowers would have got stinking rich, while the bank would get its money back - a ***high***-stakes version of heads I win, tails you lose.

This hardly excuses the more extreme brutality of Mr Sach's hitmen, but both borrower and lender might have investigated beyond the mark-to-market value of the property before taking the plunge. Merely looking at the asset backing of a venture is lazy banking. A loan may be under water, but if the business plan still stands up, an intelligent lender will not pull the plug, or cause death by a thousand cuts with fees and charges.

Looking may be what GRG actually did. The other report, from Andrew Large, found that only one in ten businesses which went to the boot camp subsequently went bust. Unfortunately for Mr Sach, they are the loudest decile.

The days may be short, but it's still autumn at the Treasury, and next week George Osborne will make a statement to prove it. Please don't call it a Budget (we will, we will). This is supposed to be about spending, but no recent chancellor has resisted the chance of a headline-grabbing tax initiative.

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Few tax increases are popular, but an outfit called the Intergenerational Foundation may have found one. It argues that removing tax breaks from buy-to-let landlords would yield £5bn, and judging from the invective that followed Norma Cohen's report of the report, the Foundation may be on to something.

The rentier benefits from tax relief on the mortgage, dilapidation allowances and - if the owner times his residence moves right - freedom from capital gains tax on disposal. The Foundation argues convincingly that buy-to-let has helped push up property prices, particularly in London, and has done little to stimulate new building.

Well, the clue's in the name, and since everyone else has a lobby group, we shouldn't argue about one for the young. There's nothing inherently wrong with buy-to-let, but subsidies for the rentier class are another transfer of wealth from the young to the old. That looks wrong today - and £5bn is a useful extra sum for George Osborne to play with.

Robin Leigh-Pemberton, who died this week, was a very odd choice for governor of the Bank of England in 1983. But after Kit McMahon had described Nigel Lawson's Medium Term Financial Strategy as hokum, and Jeremy Morse spoke out about being bullied into subsidising the financing of UK exports, the two front runners effectively ruled themselves out.

Gordon Richardson had been governor for a decade. He was so cross at not being asked to continue that he gave little help to his successor, whose mixture of effortless charm and ability to delegate overcame his ignorance of the mechanics of central banking. Lord Kingsdown, as he later became, considered that being made Lord Lieutenant of Kent mattered more to him than being governor of the Bank - which may also help explain why he was rather good at it.

Shares in Speedy Hire lost a fifth of their value on Friday following the resignation of its chief executive, who stepped down after the discovery of accounting irregularities at its overseas operations.

The small-cap tool hire company said Addleshaw Goddard, the law firm, had been appointed to lead an independent legal investigation into the international division, which comprises just 5 per cent of revenues but has been a big focus for the group since 2010.

"Given these events, Steve Corcoran believes it is appropriate that he resigns as group chief executive, will be stepping down from the board of Speedy Hire and will be leaving the company at a date to be finalised," the company added in a statement after the London market closed on Thursday.

The shares fell 20 per cent to 51p in early London trading.

Speedy was once a FTSE 250 company and seen as a stock market darling. But the ill-timed acquisition of Hewden Tools for £115m in 2007 led to a succession of rights issues and left the group carrying net debt to earnings before interest, tax, depreciation and amortisation of three times in the deepest downturn in construction in decades.

The Merseyside-based group has since acted on costs, reducing its headcount from more than 5,100 in 2008 to about 3,800. It has also cut the number of depots, from 488 in 2008 to 264.

It had been seen to be turning itself round with a focus on international expansion and a move towards services rather than pure tool hire. Before today, the shares were up more than 90 per cent in 12 months.

Speedy said on Thursday that information had very recently emerged of "the misstatement of a number of accounting balances within the international division over recent accounting periods". It said the impact of the irregularities would reduce full-year pre-tax profit by about £3m. Pre-tax profit for the year to the end of March was £12.8m.

The finance director of the international division has been suspended and other senior divisional management are the subject of further investigation.

Speedy pointed out that the accounting issues did not relate to its prized oil services contract with Zadco in Abu Dhabi or a recently announced joint venture in Kazakhstan.

The company this month appointed a new chief operating officer, former Serco and Costain executive Mark Rogerson, who is set to start work on Monday and will be seen as the frontrunner for the chief executive role.

Mr Corcoran, a former Royal Engineer, joined the company in 1987 and rose through the ranks to become chief executive in 2005.

Analysts at Cantor Fitzgerald said: "Although the issues are solely due to the international division, the turmoil is likely to ***slow*** down progress on Speedy's UK network reconfiguration programme, which could hinder the company's ability to fully benefit from improving domestic markets."

When China created a controversial "air defence identification zone" last Saturday, it sparked alarm about the rising risk of Sino-Japanese conflict over the bitterly contested Senkaku Islands.

But while the focus has been on the Japanese-controlled chain - which Beijing claims and calls the Diaoyu - China also said in the same statement it "will establish other air defence identification zones at the right moment after necessary preparations are completed", raising the spectre of tensions spreading across the region.

The Senkaku spat has attracted much attention over the past year because of the potential for war between Asia's two biggest economies. But China is engaged in a number of equally contentious territorial disputes with Southeast Asian nations - particularly the Philippines and Vietnam - over the resource-rich South China Sea.

Ian Storey, a security expert at the Institute of Southeast Asian Studies in Singapore, said the most obvious candidates for any new Chinese air defence zones were the northern part of the South China Sea and the Yellow Sea.

Chinese maps often include a controversial "nine-dash line" that loops the South China Sea, running close to the coasts of Vietnam, the Philippines and Malaysia, and stretching south to Indonesia. It first emerged in a 1947 Republic of China map that was later used by the Communist government of Mao Zedong when it came to power in 1949.

While some Chinese scholars say China does not claim the entire South China Sea, the use of the map has sparked concern among Southeast Asian nations. China last year started issuing passports that included an image of the "nine-dash line", provoking angry responses from Vietnam, Indonesia and the Philippines.

Mr Storey said China would probably not create an ADIZ for the whole South China Sea, saying it would be "absolutely outrageous" if they included the whole area inside the "nine-dash line". Instead, he said China was more likely to establish a zone in the northern part of the sea, and particularly surrounding Hainan Island.

Hainan hosts the Chinese navy's South Sea fleet - one of its three naval fleets - and also a new generation of nuclear submarines that are an increasingly important part of China's naval capabilities in the South China Sea.

But Mr Storey added that creating an ADIZ over even some of the South China Sea would be "unnecessarily provocative" at a time when China is trying to reduce tensions with its Southeast Asian neighbours.

In October, Chinese President Xi Jinping took advantage of the absence of US President Barack Obama at the Apec summit in Indonesia to launch a charm offensive with Southeast Asian countries, including by floating the idea of creating an "Asian infrastructure bank" to promote development in the region. Chinese Premier Li Keqiang then embarked on a tour of Southeast Asia that was widely seen as an effort to repair relations.

The creation of an ADIZ over the South China Sea would be unlikely to generate the same kind of military response that occurred this week when the US flew B-52 bombers near the Senkaku without alerting China - mainly because, with the exception of Singapore, most Southeast Asian nations have limited air power.

But Gary Li, a senior analyst at IHS maritime, said a Chinese ADIZ in the northern South China Sea would be "very, very sensitive". He said it would almost certainly overlap with Vietnam's ADIZ, which reaches north to about 100km from Hainan Island, and includes the disputed Paracel Islands.

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>Mr Li said the Yellow Sea was also a contender for a new Chinese ADIZ. China has repeatedly criticised the US and South Korea for holding joint military exercises in the Yellow Sea, which lies between East China and the Korean peninsula, and particularly so when the US sails its aircraft carriers through the area.

Wu Shicun, president of the National Institute for South China Sea Studies in Hainan, a think-tank that advises the Chinese foreign ministry, said that while China had the right to create new zones, it would take its time.

"We cannot rule out the possibility of setting up new ADIZs, but not in the short term," said Mr Wu. "Given the strong reaction from the international community to the East China Sea ADIZ, China will further evaluate when and how to set up new ADIZs. But it will happen sooner or later, since it is related to its national security."

Shi Yinhong, an international relations expert at Renmin University, agreed that China was unlikely to create a zone in the South China Sea anytime soon, mainly because Beijing does not see the same urgency, but he said that could change if "confrontations in the South China Sea escalate".

China and Japan had for decades put the Senkaku dispute to the side. But Beijing reacted angrily last year when Japan bought three of the islands from their private owner, in a move that sparked anti-Japan protests across China.

Mr Li said China probably decided to create an ADIZ - which other countries such as Japan and the US did long ago - because Tokyo has routinely pointed to the number of Chinese incursions into Japan's zone as a way to rally public support.

"That caused the Chinese side to say we need to get one too. There is a huge PR war here," said Mr Li.

Additional reporting by Julie Zhu

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Two weeks ago, Jack Lew, the very domestic US Treasury Secretary, was in Asia making the rounds in Singapore, Tokyo and Beijing. Those who attended meetings with Mr Lew assumed he was coming to apologise for the way the debate in Washington on extending the debt ceiling was handled in the previous month and to offer reassurance that the next time the matter comes up, it will be handled more smoothly.

For those investors who are judged on their performance in dollar terms - such as the Chinese sovereign wealth fund; and those in non US dollar terms - such as the Singaporeans - since the greenback is the world's reserve currency, such issues matter enormously. But listeners who expected an apology or an explanation were mistaken.

Instead Mr Lew instructed his audiences that Asia needed to get its act together and improve its own governance. He further alienated attendees at one session in Singapore by refusing to address the concerns of local bankers about extraterritoriality as the US unilaterally imposes rules on foreign banks with any presence in the US at all.

But today none of that matters. The consensus is that despite the cavalier treatment of investors in Treasury securities, whether foreign or domestic, and despite official behaviour that is unworthy of a nation whose currency is the universal safe haven and store of value, the US dollar will be strong next year and the US market will be the biggest game in global markets. This past week the composite Nasdaq rose above 4,000, a level not seen in 13 years, not since the euphoria of the tech bubble. As everything financial rallies to pre-crisis levels. It is no longer 2007 again - it is better than that.

More sober observers may well wonder why that should be the case.

At this odd moment in time, the US markets are the beneficiaries of two contradictory trends: one is today's reality and the other is tomorrow's expectation.

Neither of them has anything to do with economic fundamentals, unfortunately. The bullish reality today is that the Fed is still supplying massive liquidity to the markets, driving asset prices ever ***higher***. Moreover, incoming chairman Janet Yellen is even more committed to quantitative easing than the current occupant of the seat Ben Bernanke.

At the same time, though, the same market pundits who were sure that the Fed would tighten policy and taper asset purchases back in September are predicting that the Fed will now do so early next year on the back of some positive economic signs - including the recent stronger than expected payrolls report.

The anticipated move away from QE is, ironically, also supportive since that expected tapering will mean a stronger dollar and an expectation of improved fundamentals - and finally perhaps corporate spending on plant and equipment.

So the market is going up for both reasons. Price/earnings multiples have gone from 14 times at the end of last year to almost 17 times - (2007 again).

"Multiple expansion is driving stock market performance to a far greater degree than earnings, while earnings themselves are being driven to a remarkable extent by share buybacks," notes CLSA analyst Christopher Woods.

Those share buybacks amounted to some $218bn in the first half of the year, and ***keep*** rising, as do dividend payouts. Capex, of course, remains as subdued as ever - but never mind because for the moment, that is what ***keeps*** the Fed with its foot on the monetary accelerator.

Analysts like Mr Wood are now beginning to query what can go wrong and bring the stock market down, beyond the sort of geopolitical shock that is always a possibility. His answer is the continuing thereat of deflation.

As the disconnect between the rising prices of financial assets and the real economy continues, is it possible that even the most aggressive easing has limits? And does the fact that the more sceptical analysts are beginning to pose the question that this point is in sight?

The real incomes of most of the population have not risen at all. And if the only beneficiaries of QE are the very wealthiest, can their spending be enough to support the real economy? In a world where demand will probably be weaker tomorrow than it is today, can asset prices rise indefinitely?

Every day they rise suggests perhaps that the end point is nearer.

Standard & Poor's move to reduce its credit rating on the sovereign debt of the Netherlands had little impact on European markets on Friday.

The country's borrowing costs ticked only fractionally ***higher*** and Amsterdam's main equities index remained as flat as its Continental peers.

S&P cited "less promising" economic prospects and a growth rate lower than European peers as it trimmed the Dutch rating from AAA to AA+.

The AEX index was, after an hour of trade, up 0.1 per cent at 396.9, while the yield on Dutch 10-year debt was trading 0.7 basis points ***higher*** at 2.03 per cent.

The region-wide FTSE Eurofirst 300 was up 0.1 per cent at 1,306.61, led by banking and mining stocks.

Crédit Agricole climbed 3 per cent to EUR9.25 after UBS added the French bank to its "key call" list, saying the stock traded at half its book value and at a steep discount to its domestic rivals.

In London, the FTSE 100 was 0.2 per cent ***higher*** at 6,665.55 as Whitbread, the hotel and leisure group, led with a 2.1 per cent gain to £35.89.

Mining stocks added weight, with Antofagasta the ***best*** of the sector, up 1.5 per cent to 800p.

The Netherlands has become the latest eurozone member to be stripped of its triple A credit rating by Standard & Poor's, the credit rating agency, which cited weakening growth prospects as it downgraded the country to AA+.

"The downgrade reflects our opinion that The Netherlands' growth prospects are now weaker than we had previously anticipated, and the real GDP per capita trend growth rate is persistently lower than that of peers," said S&P in a statement.

Jeroen Dijsselbloem, the Dutch finance minister, said that S&P's downgrade was disappointing given that the Netherlands has recently emerged from a yearlong recession.

Earlier this month France also suffered a downgrade by S&P, when it was cut from AA+ to AA- two years after losing its triple A rating. Of the 17 members of the single currency bloc, only Germany, Finland and Luxembourg still hold the ***highest*** rating from S&P.

There was little reaction to the downgrade in the bond markets; the yield on the Dutch 10-year bond was barely changed at 2.03 per cent in early trading on Friday.

"There was no knee jerk reaction from the markets as they had already factored in that the Dutch economy was not worth a triple A rating," said Nick Kounis, economist at ABN Amro.

The Netherlands has been suffering from the bursting of a housing bubble, rising unemployment and weak consumer spending.

The country's gross domestic product increased 0.1 per cent in the third quarter but shrank 0.6 per cent compared with the same period a year ago.

"We do not anticipate that real economic output will surpass 2008 levels before 2017, and believe that the strong contribution of net exports to growth has not been enough to offset a weak domestic economy," said S&P.

The economy is expected to contract 1 per cent this year, according to the European Commission forecast, more than double the projected eurozone contraction.

Mr Dijsselbloem accepted the downgrade, but was confident that the economy was starting to improve.

"We're a country where we have a strong structural base but we have a number of issues to deal with," he told CNBC. "This confirms the need to push forward with some of the reforms."

He added that the government was making the labour market "more flexible" and the pension system "more sustainable", and helping stimulate the housing market.

The Dutch economy is expected to start growing in 2014 at 0.2 per cent, according to the Commission. Economists expect sustained growth of above 1 per cent to return in 2016.

"Despite the many difficulties it faces the Dutch economy remains one of the most competitive in the eurozone," said Mr Kounis at ABN Amro.

The other two major rating agencies, Moody's and Fitch, recently confirmed their triple A ratings for the Netherlands.

The unemployment rate has improved slightly since hitting 9 per cent in July 2013. In October, 8.3 per cent of the working population were without a job, compared to 5.4 per cent in December 2011.

Property prices have been falling since 2009, and slipped a further 4 per cent in October year-on-year.

Meanwhile, Spain, which last month emerged from a two-year recession, had its outlook upgraded by S&P to "stable" from "negative", suggesting that a further downgrade in the next 18-24 months was unlikely for the BBB-rated country.

The agency also upgraded the long-term credit rating of Cyprus from CCC+ to B-, thanks to receding risks to the country's ability to service its debts.

Additional reporting James Fontanella-Khan in Brussels

London-listed coal miner Bumi has moved a step closer to unwinding its troubled relationship with Indonesia's powerful Bakrie family after confirming that Samin Tan, chairman, had belatedly arranged the financing for his portion of the separation deal.

The company said on Friday that its independent directors were satisfied that Mr Tan had the necessary means to pay $223m for the Bakries' 23.8 per cent stake in Bumi.

The move is part of a deal that will see the Bakries simultaneously pay $501m for Bumi's 29 per cent holding in Bumi Resources, a Jakarta-listed coal miner that is part of their group.

Mr Tan, who is a close associate of the Bakries, had previously missed a November 20 deadline to secure the funding.

Bumi, which was created in 2010 in a complicated $3bn deal between the Bakries and financier Nat Rothschild, said it would send a circular to shareholders next week before they vote on the separation proposal at an extraordinary meeting in the week beginning December 16.

The co-founders later fell out following a string of corporate governance scandals, boardroom spats and whistleblower allegations of fraud. Mr Rothschild failed this year in an attempt to unseat a number of directors from the Bumi board.

Bumi's response to Mr Rothschild's challenge was to unwind the relationship with the Bakries, but doubts over financing dogged the complex two-step separation deal.

If the separation agreement is backed by shareholders, Bumi will be left with a stake in Berau, another Indonesian coal miner, and change its name to Asia Resource Minerals, while Mr Tan will own more than 47 per cent of the new company.

The Bumi saga, along with the scandal at Eurasian Natural Resources Corporation, have tarnished the reputation of the City as a listing venue for emerging-market minerals companies and driven regulators to tighten rules on the London Stock Exchange.

Ed Miliband on Friday will promise to "reset the broken energy market" by simplifying all energy bills and setting up a new energy security board responsible for ensuring that Britain's energy resources do not run out.

The Labour leader will launch a green paper while on a visit to Manchester Town Hall, setting out a range of ideas on ways to tackle rising household energy prices at a time of pressure on family budgets.

Meanwhile government sources dismissed reports that they were pressing the big six energy companies to freeze bills for the 18 months between now and the general election.

Instead the coalition is poised to announce next week a series of measures to reduce the cost of ***state*** insulation schemes on people's bills. That should lead to energy companies holding back their price rises for the coming year - although they will not promise a total freeze.

Mr Miliband will set out a range of energy policies in an attempt to show that Labour's vision in the area is not restricted to the 20-month price freeze which he announced at party conference in September. He will claim that these represent the biggest shake-up of the energy market since the privatisations of the 1980s.

Mr Miliband's new plan for an energy security board will be modelled on the Office of Budget Responsibility, the neutral body which ensures that the government's fiscal promises add up.

Labour would also replace Ofgem, the energy regulator, introduce a new energy "pool" to break the dominance of the big six and improve transparency in both generation and retail markets.

The Tories have claimed that Labour's energy freeze would merely lead to energy companies putting up their bills before and afterwards.

The BBC reported on Thursday night that ministers were pleading with the big six to freeze bills until mid-2015, barring any increase in wholesale fuel costs.

But coalition insiders said this was inaccurate: "There is no plan to freeze energy prices," said one aide. "That is Miliband's policy, which would deter competition and investment and push up prices long term for consumers."

Instead the government plans to "roll back" certain green and social levies including the "ECO" insulation scheme and the "warm homes discount".

The current proposal is to extend the deadline for energy companies to fulfil their ECO obligations by two years to 2017, while shifting the Warm Homes Discount to general taxation.

However there are no plans to cut the subsidies which go towards supporting solar panels, wind farms, nuclear power and other low-carbon energy schemes.

Energy UK, the industry body, said that only about half of the typical energy bill was made up of energy - with the rest from distribution, tax and levies.

"`The only piece that actually sits within the control of the energy company themselves is the 18 per cent-20 per cent of the bill for operating costs and so forth," said Angela Knight, head of the group.

She said energy companies were operating in a "pretty competitive market" and were not making "a particularly big profit", adding: "Having to make some profit is essential for any business to remain in business.

Wealthy Chinese collectors are increasingly buying up Western art as their tastes move beyond the traditional confines of Chinese ceramics and paintings.

Auction houses said more of the spending power generated by China's booming economy was being targeted at non-Chinese art, such as Impressionist paintings, Old Masters and 19th century European furniture.

Sotheby's said the number of mainland Chinese bidding for non-Chinese works in its auctions had risen by 54 per cent since 2010, with $378m spent by 530 successful bidders over the period.

Patti Wong, chairman of Sotheby's Asia, said patterns of taste had begun to broaden when mainland Chinese began travelling internationally, likening the shift to that which occurred among wealthy Russians after the fall of Communism.

"Every culture starts with their own heritage. For the Chinese it's their ceramics, paintings and ink on paper, but as they travel they see more of the world, they visit museums, and their interests broaden. It's a natural progression of the market," she said.

This month a Picasso oil painting, Claude et Paloma, went for $28m to Wang Jianlin, chairman of Chinese property group Dalian Wanda, at a Christie's auction in New York. Last year, a Chinese buyer lost out at Sotheby's New York sale of Edvard Munch's The Scream - but only after bidding $73m.

Interest in western art is growing both in China and across the wider Asia region. Over $2bn was spent by Asian clients in Sotheby's "non-Chinese" categories in the five years to 2012 - an increase of over 200 per cent on the previous five-year period.

Ten years ago Sotheby's Hong Kong sales - which offered only Chinese art and jadeite jewellery - accounted for about 5 per cent of global sales, but by 2011 Asia, Europe and the Americas contributed to the auction house's revenues in roughly equal proportions.

Christie's, the auction house, said the Chinese were now bidding and buying across a range of its categories, from British Victorian art and Old Masters to contemporary work. Last year Asian bidders registering at Christie's grew by 15 per cent. The number of Chinese clients registering in Hong Kong rose by 32 per cent and by 21 per cent in London

Steven P. Murphy, chief executive of Christie's, said Chinese collectors' move into Western art was "a hugely significant trend". At its New York art auctions earlier this month, he said, "we saw Chinese bidding in both evening and day sales, and at every price level."

Both Sotheby's and Christie's have been actively courting business on the mainland in recent years, conscious of the growing wealth of China's elite and entrepreneurial classes.

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>Christie's this year became the first foreign auction house to be granted a licence to operate in mainland China, holding its first auction in Shanghai in September. Sotheby's has entered the China market as part of a joint venture with ***state***-owned Beijing GeHua Art Company, and on Sunday will hold its first commercial auction on the mainland.

Melanie Gerlis, art market editor of the Art Newspaper, said the Chinese were showing more interest in Western art after rubbing shoulders with international super-rich. "It seems the Chinese want to be part of the global elite - the people who want an apartment in Battersea Power Station, wine from a vineyard in Burgundy or paintings from a dealer in London. It's more that, rather than a genuine love of Old Masters."

Does the shift imply London and New York would soon be supplanted by Beijing? Ms Wong rejects the suggestion. "This trend has everything to do with London and New York. Chinese participation in those cities' art markets is going to increase. People think it's happening in a silo in China - it's not."

Sweden's TeliaSonera cleared out its senior management on Friday, parting company with its finance chief and firing four employees, after an ethics review into its business transactions found some that had not been conducted properly.

"The board's conclusion is that some senior employees no longer have the trust of the board," Marie Ehrling, TeliaSonera chairman, said in a statement. "They have been notified that their employment with TeliaSonera will be terminated and they will leave their position effective immediately."

In a separate statement it said chief financial officer Per-Arne Blomquist, would leave the company immediately. It was not clear whether he was one of the four employees fired. Christian Luiga, head of Telia's chief executive's office, has been appointed acting chief financial officer.

Shares in Telia were down 2.2 per cent to SKr53.25 in early trading.

The clear-out of senior management comes just months after Telia's chief executive, Lars Nyberg, resigned in February amid sharp criticism over corruption allegations in Uzbekistan.

A review by Mannheimer Swartling, a Swedish law firm commissioned by Telia, found that the telecoms operator failed adequately to look into its Uzbek partner and who its ultimate owners were. It could not confirm claims that Telia had committed bribery or money laundering in the central Asian country but nor could it dismiss them.

Anders Narvinger, the telecoms group's former chairman, resigned in December, succumbing to pressure from the Swedish government, which is Telia's largest shareholder with a 37.3 per cent stake.

Telia said on Friday that its "processes for conducting some transactions have not been in line with sound business practices." The company will continue its Eurasia review which is being conducted by law firm Norton Rose Fulbright.

"Together with the board I have come to the conclusion that the way some transactions in the past were managed does not live up to the ***high*** standards of business ethics and transparency that TeliaSonera wants to stand for," said Johan Dennelind, Telia chief executive.

"Going forward we need strong leadership on all levels to create a sound culture," Mr Dennelind added.

The corruption claims surfaced after a TV investigation accused TeliaSonera of paying money to an alleged close friend of Gulnara Karimova, the daughter of Uzbekistan's authoritarian president.

The Mannheimer review said that when Telia was setting up in 2007 in Uzbekistan the telecoms operator intended to "enter into an agreement with Gulnara Karimova's investment team as the local partner".

Apple fades in race to conquer TV

European Union leaders failed on Friday in last-ditch attempts to persuade Ukraine's president Viktor Yanukovich to sign a far-reaching agreement that would integrate his country more closely with western Europe.

Mr Yanukovich said he could not sign the trade and political association deals because of Ukraine's "complex economic situation" due to pressure from Russia. His refusal came despite appeals from the 28 EU heads of government and European Commission president José Manuel Barroso.

Several thousand protesters, meanwhile, continued to demonstrate in central Kiev calling for Mr Yanukovich to sign the deal. Protest leaders claimed Ukrainian authorities were bringing groups of pro-government youths into the capital, expressing fears they could stage provocations against the protesters, with demonstrations expected to swell later on Friday.

At a summit in the Lithuanian capital Vilnius EU leaders insisted the way remained open for Ukraine to sign the deal. But it appeared even a mooted joint declaration that Kiev would reopen talks with the aim of signing a deal at a summit in the Ukrainian capital in March would not be signed.

French president François Hollande told reporters "the partnership remains open, but it is up to the Ukrainians first to want it." He said the EU was not prepared to "pay" Ukraine to sign the deal, by offering more financial support than Brussels had already pledged.

Video footage released by Lithuania, holder of the EU presidency, showed an uncomfortable-looking Mr Yanukovich meeting German chancellor Angela Merkel and Mr Barroso on Thursday night.

Ms Merkel can be heard telling Mr Yanukovich in English, "Nice to see you here. But we expected more."

Mr Yanukovich is heard replying: "The economic situation in our country is very complicated . . . we had very big threats."

"I wanted you to listen to me. I've been alone for three and a half years," the Ukrainian president continues. "In very unequal conditions, with a very strong Russia, I was one on one."

But EU officials on the margins of the Vilnius meeting began shifting blame for the failure to sign Ukraine agreement from Russia and on to Mr Yanukovich himself, saying the president had been too intent on playing Moscow off against Brussels.

"I think he didn't really want to sign with either" the EU or Russia, one senior EU politician said. "He just wanted free money."

The summit salvaged some success for its "Eastern Partnership" programme, designed to export democratic values into ex-Soviet republics, with Moldova and Georgia initialling agreements with the EU. Initialling texts is the final stage before signing, expected to happen next year.

Mr Yanukovich watched the signing ceremony with the Moldovan and Georgian leaders from the end of the second row, where he sat next to the foreign minister of autocratic neighbour Belarus - which has played little part in the Eastern Partnership process.

The summit came eight days after Ukraine's government surprised the EU by suspending preparations to sign the deal, and said it would reopen talks on deepening relations with Russia.

The move followed months of pressure from Moscow, including bans on a range of Russian goods and disruptions to cross-border trade, as well as two closed-door meetings this month between Mr Yanukovich and Russian president Vladimir Putin.

An adviser to the Ukrainian president, however, insisted it was still possible to sign the EU deal in March. He said he hoped a working group could sort out "all contradictory questions" with Brussels.

Apple fades in race to conquer TV

China shocked its neighbours and countries further afield when it announced the creation of an air defence identification zone in the skies above a set of islands administered by Japan but claimed by both China and Taiwan. It has promised to establish more of these zones but what is an ADIZ? Why would a country want one? And why are Japan and the US - who both have ADIZs of their own - so set against China's?

What is an air defence identification zone?

A zone that provides an early warning system to help a country detect possible incursions into its sovereign airspace. It stretches beyond the boundary of a country's national airspace. When an aircraft enters an ADIZ without warning, the country in question may scramble fighter jets to visually identify the aircraft and determine whether it poses a threat.

The US and Soviet Union relied on ADIZs during the Cold War to ensure they were not surprised by sudden incursions into their national airspaces.

Which countries have ADIZs?

Many countries have ADIZs, including the US, Canada, Russia, Japan, South Korea, Taiwan and Vietnam.

How do you create an ADIZ?

ADIZs are not binding legal agreements covered by international treaties. Countries can create an ADIZ just by providing its GPS co-ordinates. This is what China did on November 23 2013.

Can a country legally shoot down an aircraft that enters its ADIZ without notification?

No. ADIZs are considered to be international airspace.

How does China's ADIZ differ from others?

China requires commercial aircraft flying through its air defence zone to provide advance warning even when their final destination is another country. In contrast, commercial aircraft flying through the US ADIZ are only required to provide advance flight details when they are destined to land in the US.

Do different countries ADIZs overlap?

They can. The new Chinese zone overlaps with both the Japanese and South Korean zones.

Some countries have had ADIZs for decades. Why did China wait until now?

We are not sure. One theory is that China felt it needed an ADIZ for the Senkaku/Diaoyu Islands because Japan was publicising Chinese incursions into its ADIZ in an effort to rally public opinion.

Which commercial airlines are complying with the new Chinese restrictions?

Cathay Pacific, Singapore Airlines and Taiwanese airlines have acknowledged complying.

Are any commercial airlines refusing to comply?

Yes. Japan Airlines and All Nippon Airways originally complied, but reversed course following pressure from the Japanese government. Korean Airlines and Asiana Airlines are reporting their flight plans to China only when they fly through Chinese airspace, not when they fly though the country's ADIZ.

Additional reporting by Mitsuko Matsutani and Jennifer Thompson in Tokyo, Simon Mundy in Seoul and Sarah Mishkin in Taipei

Apple fades in race to conquer TV

Japan is on track to win its war on deflation with the latest consumer price inflation figures showing the ***highest*** reading since the country slipped into deflation 15 years ago.

Core consumer price index inflation, which excludes fresh food but includes energy, hit 0.9 per cent in October, up from 0.7 per cent the previous month and in line with economists' expectations. Excluding both fresh food and energy, it reached 0.3 per cent, the ***highest*** reading since 1998, indicating that rising energy costs alone were not the sole factor in inflationary pressure.

The figures will be a fillip to Shinzo Abe, prime minister, and the Bank of Japan, suggesting the country is on track to hit the 2 per cent inflation target set almost a year ago and that monetary easing efforts are beginning to bear fruit. Separately industrial output also increased in October - by 0.5 per cent - for a second straight month.

Since returning to power last December, Mr Abe has gone all out to overturn more than a decade of deflation through the "three arrows" of aggressive monetary easing, extra doses of fiscal stimulus and a host of measures to boost Japan's competitiveness.

After the BoJ left its policy framework unchanged at a regular policy meeting last week, Haruhiko Kuroda, governor, said "we are making steady progress on the path to realising our goal".

The bank has bought trillions of yen of government bonds from banks and other big holders, seeking to push them into riskier instruments such as loans, stocks and foreign assets.

So far, prices have been rising in line with the BoJ's forecasts, thanks largely to the steep fall in the yen since the end of 2012, which has pushed up the cost of fuel and other imports.

The headline CPI figure of 0.9 per cent was a reconfirmation that Japan was starting to put deflation behind it, said Junko Nishioka, chief Japan economist at RBS in Tokyo.

"All in all, CPI data are developing fully in line with BoJ's view," she added.

Japan's Government Pension Investment Fund announced on Friday that its assets had reached a record ***high*** of Y124trn at the end of September, the rise of 2.4 per cent over the preceding quarter being spurred in part by the stock market rally unleashed by Abenomics. The world's largest pool of retirement savings has been encouraged to reduce its emphasis on domestic bonds to improve returns.

But many fear that the way ahead may be more difficult, as the effects of a weaker yen wear off.

Three of the nine board members at the BoJ have expressed doubts that the target can be reached by the latter half of the 2015 fiscal year. Two of them - Takehiro Sato and Takahide Kiuchi, both former investment bank economists - have raised particular concerns over the lack of basic wage increases, which they say are necessary to stoke a positive cycle of demand-based inflation.

The October CPI rise will increase expectations of wage rises after the annual round of negotiations between unions and employers are concluded next spring, so that workers' salaries ***keep*** pace. There is also pressure to raise salaries given an increase in Japan's consumption tax from 5 to 8 per cent next April.

Sayuri Shirai, another board member who objected to parts of the BoJ's growth and inflation forecasts in October, says she is concerned about the risk of dips in the economy caused by continuing weakness overseas, as well as flat household incomes.

Kiichi Murashima, chief economist at Citi in Tokyo, said: "If, as we anticipate, wages do not pick up in a meaningful manner and the negative impact from the consumption tax increase is larger than policy makers currently expect, it should be difficult for longer-term inflation expectations to rise substantially."

Nomura Holdings said on Friday it would increase the base wages of up to 4,000 of its lowest paid employees, which represents around a third of its Japanese workforce, by 2 per cent in April.

Twenty years ago I was hanging around a friend's kitchen as dinnertime approached. "Let me cook for you," he offered. "I don't want to put you to any trouble," I said. "No trouble at all," he replied, and in one graceful movement he leaned back in his chair, lifted a tin of baked beans from the shelf above his head, emptied them into a saucepan and turned on the gas. That was dinner.

To grasp how daily life in most western countries has improved in recent decades, food is the perfect case study. True, we have all got fatter. True, we eat too much processed stuff. True, with food prices rising and incomes falling since 2007, poor people can barely afford enough to eat. And yet for most westerners, tastier food now provides everyday happiness to a degree unimaginable when I was growing up.

Back then, most Europeans and north Americans ate bland food daily. Going to a restaurant was a rare treat. There was little ethnic food around - certainly no sushi in the supermarket. A friend of mine raised in a small Dutch town in the 1970s recalls that whereas all their neighbours ate meat and potatoes every evening, his family were considered snobs because they ate meat and rice.

A few mothers and grandmothers produced wonderful home cooking, the stuff of nostalgia today. But most northern European children grew up regarding meals as something to endure. To quote the hysterical English schoolmaster in Pink Floyd's album The Wall (1979): "If you don't eat yer meat, you can't have any pudding! How can you have any pudding if you don't eat yer meat?"

In those postwar decades, attitudes to most goods were utilitarian: nobody needed sensory pleasures. A woman from Gillingham, in Kent, told me that her childhood was made less happy by the ugly surroundings. Tedious eating had the same effect.

Food was possibly even dourer in communist Europe. The summer after the Berlin Wall fell, I lodged with a family in an east German village. Every evening we had pork, potatoes and beer. It got boring within a week - let alone a lifetime.

No wonder East Germans craved the exotic. In 1966 Rolf Anschütz, a restaurateur in a small Thuringian town who had never been to Japan, began serving Japanese food. (You'd have thought that East Germany lagged in exotic cuisine, but in fact London in 1966 had zero Japanese or Thai restaurants.) By 1989, when the Wall fell, several hundred thousand East Germans had eaten Anschütz's Japanese meals.

The fall of the Wall accelerated globalisation, and globalisation tends to improve cooking. Our food has ***kept*** getting more exotic. The number of Indian restaurants in Britain, for instance, has gone from 1,200 in 1970 to about 9,000 today. (Indian food, incidentally, epitomises globalisation: chilli reached India from Portugal, tandoori from west Asia, and curry powder, bizarrely, from England, writes Amartya Sen.) Gradually, more westerners came to regard food as more than just fuel. On April 14 1999, Jamie Oliver presented his first cookery show on BBC television. A new generation of "foodies" was born.

The word conjures up images of bearded Brooklynites queueing at food trucks. The "food renaissance" is indeed linked to class, and therefore encourages status displays: the fastest-growing demographic category from Britain to China today is "cheese bores".

However, tastier eating isn't only an elite phenomenon. Enjoying food doesn't have to mean buying £25 chickens or boring on about Amazonian vegetables. Great masses of people now watch cookery shows on TV. They don't all then cook the dishes but they must be influenced. Often they consume the foods in simplified or snack forms: in coffee shops, or as ready-made supermarket meals. There's even a "fresh fast food" phenomenon. Recent TV commercials for Taco Bell in the US, for instance, feature the celebrity chef Lorena Garcia rhapsodising about "beautiful ingredients" while preparing a "burrito bowl" in her kitchen. This sort of thing is easy to mock, but these foods are probably tastier than, say, the Wonder Bread that used to be an American staple.

Immigration is bringing good ethnic foods even to poorer neighbourhoods. And until the current spike in prices, food had been getting cheaper for decades. Americans on average now spend just a tenth of their disposable income on food, says the US Department of Agriculture. That is around the lowest level in human history. Most westerners can now afford to think about food as a source of everyday happiness.

I live in Paris, where this attitude has been taken for granted for centuries. Every lunchtime I toddle to one of dozens of restaurants around my work flat, and sit down alone to a two-course meal. Often it's the highlight of my day. Once, over dinner with expat friends, we debated the question: would we stay in Paris if the food was bad? Nah, we concluded. I may never leave this city, so the quest for happiness through food has shaped my life.

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BRUNO LOUBET

Frenchman Bruno Loubet created a splash this summer with vegetables - the star ingredients at his new London restaurant The Grain Store, set in a rejuvenated quarter of King's Cross. Loubet, who also runs an eponymous bistro at the Zetter Townhouse hotel, uses veg with style, as seen in this pumpkin prize-piece.

Roast pumpkin with mulled wine sauce

Serves 6 people

1 pumpkin

6 parsnips

6 carrots

500g Jerusalem artichokes

6 potatoes

1 celeriac

4 red onions

4 red beetroots

500g soft goat's cheese

8 cloves garlic

1 tbs pickled rosemary

5 sprigs thyme

6 sage leaves

100ml olive oil

Mulled wine sauce

350g fruit chutney

750ml red wine

¼ orange zest

¼ cinnamon stick

2 cloves

1 tbsp sliced ginger

5 crushed cardamom pods

1 fresh bay leaf (2 if dried)

8 black peppercorns

1 bag English Breakfast tea

Sherry vinegar to taste

Maple syrup to taste

For the mulled wine sauce

- Place the wine, tea bag, orange zest and spices in a saucepan. Bring to the boil, lower the heat to a light simmer and reduce the liquid by half; take off the heat and cover with a lid to infuse. When the liquid is tepid, pass through a fine sieve and discard the tea bag and spices; add the chutney and bring to the boil. Once boiled, add sherry vinegar and maple syrup to taste. Set aside to cool.

For the stuffed and roast pumpkin

- Preheat oven to 180C. Cut all the vegetables (except the pumpkin) into large chunks. Cut a lid from the top of the pumpkin, scoop out the seeds in the middle and discard. With a strong metal spoon, scrape out the pumpkin flesh into a bowl, making sure to leave a layer (about 1.5cm). It is important not to scrape right back to the skin. Place the pumpkin with its lid off and its lid (separate from each other) in the oven for 20 minutes, then remove and ***keep*** aside.

- Place the carrots, artichoke, parsnips, celeriac, potatoes, red onions and beetroot in a roasting tray, toss with olive oil and season with salt and pepper. Place in the oven and roast for about 20 minutes (until a nice golden colour), then add the pumpkin flesh, crushed garlic, rosemary, thyme and sage. Cook for another 20 minutes. Drain the vegetables, place on a clean kitchen towel and pat dry. Layer the vegetables and crumbled goat's cheese inside the pumpkin. Place the pumpkin and the lid (again, separately) in the oven for a further 10-15 minutes.

- Serve with the lid on the pumpkin and the rich mulled wine sauce on the side.

TOM KERRIDGE

Tom Kerridge's 2013, featuring a successful BBC television series, has been a "huge year" for the chef at the Hand & Flowers pub in Marlow. "Pub" is a loose term here; Kerridge's menu has two Michelin stars and is all about beautiful English ingredients - roast quail, venison, crispy pig's head - in a relaxed setting. Christmas for Kerridge growing up meant "turkey roll, cheap port and rubbish movies". This year his mother-in-law will be doing the honours but Kerridge "will help out - I love cooking".

Slow roast venison haunch with shallots, cranberries and chestnuts

Serves 6 people

2-2½kg venison haunch from the top end (bone in)

12 banana shallots, peeled but whole

100g dried cranberries

150g vac-pack chestnuts, crumbled

300ml red wine

50g redcurrant jelly

750ml dark chicken/beef stock

2 tsp dried sage

200g bacon lardons

400g brussel sprout tops (washed)

Vegetable oil for cooking

Venison rub

2 tsp juniper

8 cloves

1 tbs cracked black pepper

2 tbs flaky sea salt

1 tbs cumin seeds

2 tbs thyme leaves

This fantastic ***slow***-cooked dish is perfect for this time of year - a great Christmas alternative.

- Lightly score the venison haunch with a sharp knife. In a pestle and mortar or spice grinder blend together the venison rub ingredients. Rub them all into the haunch and leave it to sit for 1-2 hours to take on the flavours.

- In a large casserole pan, heat a layer of vegetable oil and cook the bacon lardons until crispy and brown.

- Add the shallots and cook until they start to brown. Add the dried sage and stir. Put in the redcurrant jelly, red wine and the stock. Bring to the boil and then place the venison on top. Turn the heat off and place a lid on the top or cover with tin foil. Place in a preheated oven at 150C for 2 hours. After 2 hours, remove from the oven and take off the lid. Check the stock level to make sure it is not burnt, and add a little more if needed.

- Place back into the oven for a further 1½-2 hours, until the venison is cooked, tender and can be flaked from the bone. Leave to rest for half an hour.

- Gently lift the venison from the shallots and stock and place on the serving plate or board. Place the pan on the hob and heat up. Add the flaked chestnuts and dried cranberries. Stir and season. Then add the brussel sprout tops and stir until wilted - about 1 minute. Serve with the venison and some roast potatoes. There should be enough stock and red wine to act as a gravy.

KARAM SETHI

Food is a family business for Karam Sethi: his sister Sunaina is sommelier, his brother Jyotin is business partner and together they have raised the game for contemporary Indian cooking in London, both at Trishna in Marylebone and at their new colonial-style Mayfair restaurant, the excellent Gymkhana. Its menu is a novel curry paradise - pepper partridge, spiced pig cheek vindaloo - and here Sethi's turkey biryani, aromatic trimmings and mince pie samosas should make for a perfectly spicy Christmas supper.

Turkey biryani with potatoes, spinach and root veg

Serves 4 people

750g skinless and boneless turkey, cut into dice (approximately 4cm)

500g long-grain basmati rice

250g onions blended to a paste in a food processor

Ground seeds of 2 black cardamoms

85ml ghee mixed with oil

2 tbsp ginger paste (50g ginger with 1 tbs water)

1 tbsp whole black peppercorns

½ tbsp cumin seeds

7 cloves

½ g (small pinch) saffron threads

1l whisked yoghurt

125ml milk

284ml water

Salt, fresh coriander, mint andcrispy fried onions, to taste

Dried rose petals, for garnish

Atta bread (for sealing the pan, optional)

250g dry atta (chapatti flour or whole-wheat flour)

125ml water

1-2 tbs oil (optional)

- This dish can be made using atta dough to seal the pan. To make the atta dough, combine the flour, water and oil, then knead together.

- Place the skinless, boneless turkey in a large bowl or tray. Rub on the saffron and onion paste and leave to marinate at room temperature for 2 hours (24 hours if you can). During this time, dry roast the black pepper, cumin and cloves separately in a hot pan. Allow the spices to cool and then grind in a pestle and mortar.

- Once the spices are cool, add half the whisked yoghurt and ground black cardamom seeds. Then rub the mixture into the turkey before placing it in a heavy-bottomed pan. In a separate pan, heat three-quarters of the ghee/oil mixture and, once warmed through, pour it over the turkey.

- Wash the rice by running it through cold water to remove some of the starch [I use Amira's "Superior" rice]. Leave to soak for 20 minutes. Strain the rice and mix it with the remaining yoghurt, 284ml of water and two teaspoons of salt, then add the rice to the turkey mixture.

- Cover the pan with a tightfitting lid and seal the edges with the atta dough to stop any steam escaping. Alternatively you can cook your turkey in a pressure cooker. Cook over a ***high*** heat for 10 minutes, then reduce the heat to low for approximately half an hour. Uncover the dish and pour over the remaining ghee/oil mixture before sprinkling the milk on to the rice.

- Cover the turkey once again and cook for a further 15 minutes or until the meat is tender and the rice grains have separated. Before serving, garnish with dried rose petals, crispy onions, chopped fresh coriander and mint.

Roast potatoes with cumin, ginger and coriander

1kg potatoes

1 tbs cumin seeds

1 tbs cumin powder

1 tbs fresh grated ginger

1 green chilli

Salt to taste

30g fresh coriander

1l water

- Preheat oven to 180C. Bring the water to a rolling boil and add the washed potatoes. Boil for about 20 minutes, until the potatoes are soft. Drain and place in a roasting tray. Add the cumin seeds, cumin powder, ginger, diced green chilli and salt to taste. Roast for approximately 45 minutes, until golden brown. Toss with fresh coriander.

Creamed spinach

4 bunches spinach

1 tbsp cumin seeds

1 tbsp oil

1 green chilli, finely chopped

½ medium onion

1 clove garlic

Salt to taste

½ cup cream

- In a pan, temper cumin seeds in oil, then add chopped green chilli, chopped onion and garlic. Cook until softened.

- Boil the baby spinach until soft, then strain it and purée in a blender. Remove from the blender and add to the pan of cumin, chilli, onion and garlic. Continue to cook for five minutes, then add the cream and season with salt.

Mashed root vegetables

1kg beets, parsnips, squash, celeriac

1 tbs oil

Salt and pepper to taste

1 tbs mustard seeds

2 curry leaves

1 tsp asafoetida

1 red chilli

5 shallots

1 tbs fresh grated ginger

1 tbs butter

Few sprigs coriander

- Heat the oven to 180C. In a tray, roast beets, parsnips, squash and celeriac in the oven with oil, salt and pepper until tender. Then strain and mash very coarsely.

- In a pan, temper mustard seeds, curry leaves, asafoetida and whole red chilli in oil. Add diced shallots and ginger, and soften. Pour this mixture on to the veg and mix in. Finish with a dollop of butter and roughly chopped coriander including the stems.

Mince pie samosa

The filling

200g mince pie mix

100g chenna curd cheese

50g roasted almond flakes

Pinch cardamom

The pastry

500g plain flour, plus extra for dusting

1 tbs sunflower oil

1 tsp salt

500ml water

A little melted butter

- Place flour, oil and salt in a bowl and make a well in the centre of the mixture. Add water slowly and knead dough until smooth, then make eight dough balls, about 5cm in diameter. Cover with a cloth and leave to rest for 10 minutes.

- In the meantime, preheat oven to 180C. Mix together the mince pie mixture, chenna, roasted almond flakes and cardamom.

- Once the pastry balls have rested, roll each one out on a lightly floured surface to a circle shape, about 10cm thick. Cut into quarters and layer the quarters on top of each other. Make sure to dust each layer lightly with flour so that they do not stick together.

- Add a spoonful of the mince pie mixture to the centre of the pastry quarters and brush the edges with melted butter. Then layer another pastry quarter on top and seal edges of pastry together. Cook until golden brown.

SARIT PACKER

There is nobody we'd entrust our sweet-tooth cravings to more than the woman who used to be head pastry chef for Yotam Ottolenghi. Sarit Packer, who with her husband Itamar Srulovich now runs the tiny but totally delicious Honey & Co restaurant on London's Warren Street, makes sweet things for all hours - doughnuts, lemon and saffron cakes, and this fabulous honey and quince trifle, which we could eat at any time.

Quince, honey and hazelnut trifle

Serves 6-8 people

Honey and ginger sponge

225g caster sugar

250g plain flour

Pinch of salt

½ tsp bicarbonate of soda

1 tsp ground ginger

1 tsp ground cinnamon

100g water

100g honey

100g vegetable oil

2 tbs demerara sugar, to sprinkle

This is a great cake recipe, and tasty even before it goes in the trifle. You can, of course, use a bought sponge, but this is so easy that there is no reason to be lazy - it is literally a two-step cake.

- Line the base of a shallow rectangular baking tin (approximately 400cm x 20cm) with greaseproof paper. Preheat your oven to 180C.

- Mix all the dry ingredients together and pour them over all the wet ingredients. Mix to combine and tip into the lined tin. Smooth down and sprinkle the demerara sugar over the top - it will bake into a great crunchy crust. Place in the oven for 25-30 minutes. Allow to cool on a wire rack. Once cooled, cut in half and use one half to line the base of your serving bowl. The other half I like to cut into dice and lay on a tray to dry a little, then use to garnish the top of the trifle.

Quince and jelly

3 large quinces

1 cinnamon stick

3 cardamom pods, slightly crushed

1l water

500g sugar

Juice of 2 lemons

6 gelatin leaves (or use producer's guidelines to set 750ml liquid)

3 tbsp sweet Muscat wine

I like to leave the skin on the fruit as it has loads of flavour and helps it ***keep*** the shape. The cooking liquid will become the jelly - I like to add the sweet Muscat wine but it is up to you.

- Combine the water, lemon juice, sugar, cinnamon and cardamom in a large pan.

- Cut the quince into wedges - 8-10 from each fruit, then with a sharp knife remove the core. Place all the wedges in the water and bring to a boil on a medium-low heat. Once it has reached boiling point, reduce the heat to low and cook for 15 minutes. Soak the gelatin leaves in 200ml cold water. Very carefully, using a ladle, remove 500ml of the quince cooking liquid to a jug, then add the water and soaking gelatin to the hot liquid and stir till combined. Set aside. Leave the remaining quince and liquid to cook for a further 30 minutes until the quince is fully cooked and the colour has deepened to a warm orange.

Cardamom cream

400g milk

6 cardamom pods, crushed

100g sugar

4 egg yolks

50g plain flour

½ tsp ground ginger

You can, of course, buy a ready-made custard and use that to top the trifle, but try to go to the extra effort and make this pastry cream yourself. I use cardamom instead of the more traditional vanilla, as I think it works amazingly well with the flavour of quince and honey.

- In a small pan, combine the milk, sugar and cardamom and heat slowly. Once it has almost come to a boil, turn the heat off and wait for 10 minutes to allow the flavours to infuse. In the meantime, mix the egg yolks with the flour to make a thick paste, and add the ginger. Reheat the cream and, using a small tea strainer, remove the cardamom pods, mix a ladleful of the milk into the egg mix and return to the pan. Set the pan on the stove and, while stirring constantly, thicken the custard mix. Once it is thick, remove from the pan to a bowl, cover with cling film and allow to cool in the fridge.

To assemble the trifle

2 tbsp sweet Muscat wine (optional)

200ml double/whipping cream

75g roasted hazelnuts, roughly chopped

1 tbsp honey

Pinch sea salt

- Douse the sponge you have set in the serving bowl with the sweet wine, if you are using it. Lift the quince wedges out of their now thick syrup and layer them over the sponge. (You can reserve 3-4 wedges to use as a garnish later). Pour over the mixed jelly and set in the fridge - it will take 3-4 hours to set fully.

- In the meantime, whip the cream and fold it into the custard base until you achieve a silky-smooth mixture that holds in peaks. Set in the fridge. Mix the roasted hazelnuts with the honey and the salt.

- Once the jelly has set, scoop large dollops of the cardamom cream and spread it all over the top, garnishing with the hazelnuts, the cubed sponge pieces and the retained quince wedges cut into small dice.

Mary-Anne Boermans opens the door of her little terraced house in Kidderminster and it is instantly clear that this will be the perfect day. The air is scented with spice, a drift of nutmeg and mace coiling enticingly through the front room. Set on the dining table are festive treats, all "traditional" but with the historical twist that gives Boermans' baking its fascinating character.

Here are pretty little shortbreads, not plain but dotted with orange peel. Here is gingerbread, not cakey but cracklingly fragile and bittered with treacle. Here are Chelsea buns but entirely without the crowds of currants we've come to associate with that treat. It's shocking. They look naked. But turn to Boermans' new book, Great British Bakes, and you will discover why - for she has traced the true 18th-century origins of the "Royal Chelsea bun" with a diligence that would put many a historian to shame.

Boermans - who played rugby for Wales in the late 1980s, and who has travelled the world in the course of her teaching career - is perhaps the most wonderfully unlikely contestant The Great British Bake Off has seen: and lucky for us. Let's face it: the programme is kitsch, pure and simple, and so it's a wonder to discover that an amateur who got her professional start there - she was a runner-up in 2011 - has produced a book that's as fascinating to read as it is to bake from. Its recipes are drawn not only from her collection of hundreds of second-hand, antique cookbooks but also from the Wellcome Library - which, being a medical library, ***keeps*** recipe books because they contain home remedies. But there's no reason you can't find a cheesecake in there, too. What Boermans has done is to choose her favourites and then modernise them both for our present-day kitchens (we take it for granted that our ovens will run at a constant temperature - a fairly recent development) and for the fact that we cook for ourselves rather than asking a kitchen maid to ***keep*** whisking a batter for eight hours solid. (Thank heavens for the Kenwood.)

And so where better to come than Boermans' neat galley kitchen to find a version of a Christmas cake that will bring us back to the essence of British baking? For that's what she was after. When her daughter, now eight, was born, she says, "I wanted her to taste pure flavours. I know myself how delicious artificial flavours can be. When I was a child a real treat was Angel Delight - because we had to have home-cooked meals! You didn't buy biscuits or cake - 'boughten' stuff was looked down on. So it got me thinking: but which apple pie is the ***best*** apple pie - and who first thought of apple pie?"

It was this that led her to start picking up second-hand cookery books in shops and on eBay. "I began to think: it's wrong to dismiss 400 years of baking and cooking in general." And, she adds, "It can be new if we haven't done it for 200 years." In these old recipes, the newly trendy nostrums of eat fresh, eat local, eat nose-to-tail, be self-sufficient, were all right there, waiting to be rediscovered.

As we chat, we make Wood Street Cake - a lightly yeasted fruitcake with a rosewater icing originating in the City of London. Wood Street is just between Cheapside and Cripplegate, and, in the 17th century, was famous for its cakes. So when, in 1648, Lady Anne Murray helped to smuggle the future King James II out of captivity and off to the continent, she not only provided him with women's clothes as a disguise but also his favourite treat, a Wood Street Cake. In her book, Boermans admires Lady Anne's devotion: "I must admit that, were I to be intimately involved in the rescue of royalty in a time of civil unrest, the provision of snacks might be pretty low on my checklist of important tasks."

We can only be thankful that political calm has enabled Boermans to focus on such snacks. Having folded a mixture of dried fruit and currants into the dough, which is deliciously enriched by butter and cream, we need to give it an hour to rise - time enough to eat lunch, for which she has made little oval cheese and potato pies, their crusts made meltingly delicate by cutting plain flour with a good dose of cornflour. Normally, such a pie wouldn't be what I'd choose for my lunch: but these are straight-up fantastic. It doesn't surprise me when Boermans confesses a secret love for savoury baking - here's to a follow-up volume, I say.

Hot water crusts for pork pies were something she'd never made until GBBO - an experience which, all in all, she loved. "There was a lot of laughter in that tent, a lot of funny people. I'm really glad I met all of them, it was just a shame that one went every week." She is full of admiration for Mary Berry - "At first I wanted to impress her; then I didn't want to disappoint her." Paul Hollywood's name doesn't elicit the same admiration - not least because he called her everlasting syllabub -"revolting", which I rather agree is beyond the pale. She admits, however, that the kind of baking she's interested in was perhaps not the perfect fit for GBBO - their loss is our gain.

After the cake has risen, we set it in a tin lined with parchment that rises above the springform walls so the fruit doesn't scorch. Once out of the oven, the cake is iced hot - egg whites, confectioner's sugar and rose water, that's it. It's a perfect, simple Christmas cake, one that comes with the romance of history attached. We can be sure there's more to come from Boermans. "Think of the stories I haven't managed to find yet!" she beams.

'Great British Bakes: Forgotten Treasures for Modern Bakers' by Mary-Anne Boermans (Square Peg, £20)

Wood Street Cake (1675)

The cake itself is light and delicately spiced.

The ***high*** fruit content means that only a relatively small amount of sugar is needed and, like most of the fruited cakes of this era, it is iced hot. And so, without further ado, please enjoy a cake fit for a king.

Serves 10-12

For the cake

600g plain flour

2 sachets (14g) fast-action yeast

112g caster sugar

1 tsp ground mace

½ tsp ground cloves

1 tsp ground nutmeg

2 tsp ground cinnamon

450g currants

150g raisins

150g butter

200ml double cream

2 egg yolks

1 egg

1-3 tbs rose water, to taste

For the icing

2 egg whites

1-2 tbs rose water, to taste

225g icing sugar

A 24cm springform cake tin

- In a large bowl, mix together the flour, yeast, caster sugar, spices, currants and raisins.

- Put the butter and cream into a saucepan over a low heat and warm gently until the butter is melted. Set aside to cool slightly.

- In a separate bowl whisk the yolks and egg with the rose water, then continue to whisk while slowly adding the cooled cream mixture.

- Stir the liquids into the dry ingredients. The texture should be rather wet and similar to a modern fruit cake mix - too wet to knead. When thoroughly mixed, cover and set aside to rise in a warm place for 1 hour.

- Preheat the oven to 200C/180C fan/gas 6 and grease and line the base of the cake tin with baking parchment. Line the sides with a double layer of parchment and make sure it stands above the level of the tin itself by several centimetres. This will help ***keep*** the top of the cake from scorching and also prevent the icing from colouring too much.

- When the cake mix has risen, pour it into the prepared cake tin. Smooth the mixture but don't press down or you'll squash out all the air bubbles. Bake for 45-50 minutes.

- While the cake is baking, prepare the icing by whisking the egg white to soft peaks and then adding the rose water. Gradually add the icing sugar and whisk to stiff peaks. Set aside.

- When the cake is fully baked, remove it from the oven and, while it's still in the tin, spoon the icing over the top. Return the iced cake to the oven and turn off the heat. Let the icing set for 15 minutes then remove the cake from the oven and leave to cool in the tin.

- When it's completely cold, remove the cake from the tin. Run a knife around the edge of the icing to loosen the baking parchment and slowly peel away the paper.

History joys

Mary-Anne Boermans chooses three favourites from her collection of historical recipe books:

Good Things in England by Florence White (1932). 'Her pioneering efforts attempted to "capture the charm of England's cookery before it is completely crushed out of existence". Over 800 recipes dating back 700 years.'

The Housekeeper's Pocket Book by Sarah Harrison (1739). 'Includes a "food-in-season" planner, with recipe suggestions for each item. Interesting West Country perspective.'

A New System of Domestic Cookery by Maria Rundell (1806). 'The first (in my opinion) practical household book. It was a huge success, remaining in print for 35 years and over 40 editions.'

FT reader offer

Readers can buy Great British Bakes: Forgotten Treasures for Modern Bakers by Mary-Anne Boermans (RRP£20) for the special price of £17, including free UK p&p. To order please call 01206 255 800 and quote the reference 'FT'.

Offer dates: 30/11/13-31/01/13

Copas Turkeys

In 1957, 17-year-old Tom Copas was given some turkeys by his father and told to "get on with it"; he sold 157 birds that year. Today his daughters carry on the business. The Copas family dry-pluck the carcass and hang it intact (with the head on) for two weeks for a better flavour. They also offer condiments and stuffings, as well as a handy plug-in widget that you insert before cooking to tell you when the bird's done.

Kings Coppice Farm, Grubwood Lane, Cookham, Berkshire SL6 9UB; 01628 499980; *www.copasturkeys.co.uk*

Kelly Bronze Turkeys

Stunning, tasty birds that - due to their maturity and fat marbling - take a lot less time to cook than an average turkey. Every Kelly Bronze includes a meat thermometer as well as cooking instructions. If a whole bird is too much for you, they also offer a stuffed breast, turkey crown or half a bird. Available via mail order or at a range of farm shops and butchers; check website for details.

Springate Farm, Bicknacre Road, Danbury, Essex CM3 4EP; 01245 223581; *www.kellyturkeys.co.uk*

Goodman's Geese and Turkeys

What started as a winter hobby in 1982 for the asparagus-growing Goodman family has turned into a business producing 4,000 bronze turkeys each year. The birds are fed on natural foods containing no additives or growth promoters. Both turkeys and geese are available via mail order as well as selected suppliers.

Walsgrove Farm, Great Witley, Worcestershire WR6 6JJ; 01299 896272; *www.goodmansgeese.co.uk*

Botteril's Turkeys

Proper old-fashioned birds, these bronze turkeys are reared on the Belvoir Estate, slaughtered on site and dry-plucked. They're then hung for 14 days for depth of flavour. The turkeys have a decent fat cover, which renders during cooking to make for a really succulent roast. They also offer large cockerels if you'd rather have chicken than turkey. Available from the farm or via The Ginger Pig (*www.thegingerpig.co.uk*).

Lings View Farm, 10 Middle Street, Grantham, Lincolnshire NG32 1QP; 01476 870394; *www.freerangebirds.co.uk*

Hostingley Farm Free-Range Turkeys

Tim and Lynne Lindley feed their free-range birds on homegrown grain. The birds are processed directly on the farm, eliminating the stresses of live transport. They are dry-plucked by hand, then hung for at least 10 days. Collect from the farm or via selected stockists.

Hostingley Farm, Thornhill, Dewsbury, West Yorkshire. WF12 0QJ; 01924 272 570; *www.hostingleyfarmfreerange.co.uk*

Andrew Webb is the author of 'Food Britannia' (Random House)

Does America have too many ***immigrants***? That is a question which sparks heated political debate in Washington. Little wonder. Earlier this year Barack Obama pledged to make immigration reform a central plank of his second term as president.

But while that won him support among Hispanic voters, it infuriated many Republicans, particularly in the South. And with the unemployment rate remaining stubbornly ***high***, the issue is doubly controversial due to a perception - or fear - that ***immigrants*** are stealing American jobs.

Last week a curious new salvo was fired into this fiery debate from none other than the Dallas Federal Reserve. In recent years, this institution has earned a reputation for being one of the more independent-minded parts of the Fed: its president, Richard Fisher, has demanded policies to slash the size of banks, and its officials take a free-market, conservative view. (Indeed, as a sign of this Wild West heritage, it is the only western central bank I have ever seen where an official notice tells customers to put their guns aside before entering.)

But when it comes to immigration - of the legal and illegal kind - the Lone Star Fed is not sitting with the Tea Party core. On the contrary, it has just published a paper - under the provocative title "Gone to Texas" - arguing that immigration is good for the local economy. And it rebuffs the idea that ***immigrants*** are stealing jobs from native-born Americans. On the contrary, it insists, they tend to boost growth in a win-win way.

Now, if this conclusion had emerged in a ***state*** with few ***immigrants*** and plenty of unfilled jobs (think North Dakota), that might be unsurprising. But the picture that Fed researchers paint of Texas is eye-popping. Since 1990, the number of foreign-born people living there has jumped from 1.5 million to 4.3 million, they say, noting that "Texas [now] has more ***immigrants*** than Oklahoma and New Mexico have people", and that "among large ***states***, none has experienced a surge like Texas has, with ***immigrants*** rising from 9 per cent of the population in 1990 to 16.4 per cent in 2012".

Some ***immigrants*** are highly skilled, ***lured*** by the fast-growing energy sector, for example. But most are not: two-thirds do not have a ***high***-school diploma, two-thirds come from Mexico, and almost half - or 1.8 million people - are illegal, according to the Fed's number crunchers. If you want to find a poster child for the vision of Mexicans flooding illegally across the border to work in American fields and factories, Texas is perfect.

But that has not hurt native-born Americans, the Fed insists. "When ***immigrants*** flow into the labour force, it is not just a matter of adding more workers. As long as ***immigrants*** differ from natives - which they do to varying degrees - specialisation occurs," the report observes. Furthermore, "Less-educated US natives have a comparative advantage in communications-intensive jobs, and less-educated ***immigrants*** in manual-labour jobs." Or to put it another way, Mexican tomato pickers do not compete with American receptionists (not least because almost half of the ***immigrants*** in the study apparently have few or no English-language skills).

What immigration does do is lower the price of "***immigrant***-produced goods and services", which equates to an income gain of $3.4bn-$6.6bn a year, the study suggests. And while this needs to be offset against the rising strain on public infrastructure and services, this is not such a big issue in bare-bones Texas, which has "a skimpy safety net and lower levels of publicly provided services than other large ***states***".

. . .

I daresay such conclusions will horrify many observers on both sides of the political divide. To Tea Party supporters, it seems hard to believe that illegal ***immigrants*** do not displace American jobs; to leftwing economists, it seems even more abhorrent to think that businesses could be booming on the back of unprotected cheap labour. In any case, as both left and rightwing economists might point out, Texas is something of an exceptional case: its economy has been unusually fast growing in recent years, partly because of the energy boom, which has created plenty of new jobs - for ***immigrants*** and non-***immigrants*** alike.

When it comes to immigration, the ***state*** is also unusual in political terms in that the influx of newcomers has occurred under governors of both the Democrat (Ann Richards) and Republican persuasions (George W Bush and Rick Perry). As president, Bush was also a strong advocate for immigration reform.

If nothing else, the results of the study are intriguing, particularly given that immigration reform will almost certainly rear its head in Congress soon, as Obama tries to define his legacy. The only pity is that the Dallas Fed paper did not look at another curious and counter-intuitive recent development: namely, that in the past year it seems that the flow of those unskilled Mexicans north has ***slowed***, if not stalled. And if that continues, it could twist the immigration debate yet again - not just in the Lone Star ***state*** but in Washington too.

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Foreign powers have a lot riding on the 75-year-old former Sorbonne law professor who runs Guinea.

For the west, Alpha Condé represents a west African bulwark against the jihadists of the Sahara and the perennial eruptions of Guinea's neighbours. For China, the president might prove a partner for a new infrastructure-for-resources deal of the sort that has spearheaded its thrust into Africa. For the multinational mining houses, Israeli tycoons and Russian oligarchs vying for Guinea's mineral wealth, he is regarded as everything from a dedicated reformer to an asset-grabber.

It is a heavy burden for a life-long opposition activist who until he narrowly won elections in 2010 - regarded by many as both shambolic and Guinea's freest since independence from France in 1958 - had never held public office.

In exile in France, he was sentenced to death in absentia by Ahmed Sékou Touré's repressive regime. Once home, after twice failing to dislodge Lansana Conté at elections the long-ruling strongman was accused of stealing, he was thrown in jail. After two years of brutal rule by the military junta that took power on Conté's death before giving way to civilians, Mr Condé took the helm of a country that was listing badly.

"It's not easy," Mr Condé told the Financial Times in an interview during a visit to Paris last week that included a meeting with a fellow francophone socialist, President François Hollande. "With 50 years of misrule, of corruption, bad habits have set in. But I think there is now truly the will to change things."

Critics have suggested the old ways are creeping back. They point to what they say are sweetheart mining deals struck by Guinea's new rulers, although most experts agree that nothing has emerged on the scale of the corruption that went before.

"Habits built up over 50 years are not changed in two or three days. But time is also against us," says the president, whose energy, his aides say, belies his years. "People are impatient. They want to see something concrete."

A pariah ***state*** for half a century, Guinea endures some of the world's grimmest living standards. Of every 100 children born, 13 die before the age of five, twice as many as in Myanmar. Yet in terms of heavyweight foreign interlopers per head, the nation of 11m people ranks highly.

Mr Condé counts among his advisers Tony Blair, the former UK prime minister, whose governance initiative is tasked with improving Guinea's threadbare bureaucracy, and George Soros, the hedge fund billionaire. Mr Soros has been instrumental in making Guinea what Mr Condé acknowledges is a "laboratory" for a global campaign, led by the US and EU, to open up the oil and mining industries to greater scrutiny.

Under Mr Condé, the government has published mining contracts, overhauled the mining code and is nearing the completion of a review of deals signed under past dictatorships.

The contract review has made the president enemies, notably Beny Steinmetz, the Israeli diamond tycoon. BSG Resources, the mining arm of the Steinmetz family conglomerate, has responded to allegations that it paid bribes to officials in previous regimes to win rights to a $5bn iron ore deposit by claiming that Mr Condé's "illegitimate government" is seeking to expropriate its assets.

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>Mr Condé steers clear of discussing his clash with Mr Steinmetz. Instead, he declares a target to bring in $30bn-$40bn in mining investment over the next five years - about five times Guinea's annual gross domestic product.

It looks an ambitious goal, given that many in the industry believe that big miners such as Brazil's Vale and Anglo-Australian Rio Tinto are more inclined to plant flags in choice deposits than to bring them into swift production.

Yet Guinea is already Africa's biggest producer of bauxite, the ore used to make aluminium, despite an often fraught relationship with Russian oligarch Oleg Deripaska's UC Rusal, one of the sector's biggest investors. Abu Dhabi and Dubai this week agreed to invest $5bn in Guinean bauxite mining and refining.

While Mr Condé is keen to welcome investors from overseas - including Chinese ***state***-owned groups, seen as the most likely to find the billions required for rail and port infrastructure to tap Guinea's iron ore - he bristles at what he sees as foreign meddling in domestic politics.

Donors' fiscal conditions imposed as part of a debt-relief deal frustrated his plans to invest in Guinea's crumbling infrastructure, the president says.

Asked about the "breaches and irregularities" reported by foreign observers including the EU, UN and west African bloc in September's legislative elections, Mr Condé says: "There was a great deal of interference by the European Union. Elections should be a symbol of a country's sovereignty." He adds that the results, which were approved this month by Guinea's supreme court and left his party short of an absolute majority, give the opposition a larger presence in the national assembly than in other recent African polls.

Faultlines remain. Violent clashes during the election campaign were a sign that Guinean politics still runs on ethnic lines. Responding to reports that mercenaries, no strangers to west Africa, have been conducting covert recruitment missions for an anti-government mission to Guinea, Mr Condé says: "With the reform of the army that we are in the middle of doing, all the attempts at destabilisation - which are real - don't worry me because we can cope with them."

The difficulty of bringing to heel an army that slaughtered 156 opposition demonstrators in the national stadium in 2009 was underscored in July when Mr Condé survived an assassination attempt seemingly linked to the military.

The president believes he faces "a coalition of interests against us who do not want to see reforms", especially in mining. But he pledges to press on. "That exposes me to a great deal of risk, politically and personally," he says. "But in life you have to take risks."

When Irish gangster Paul Meehan was jailed three years ago for smuggling cigarettes and conspiracy to acquire drugs and guns, his conviction was hailed as a huge success for police in the UK and Northern Ireland.

Called 'Wobbly Boots' for his dependence on crutches ever since he crashed a stolen car, Meehan, 39, had previous convictions in the Republic of Ireland for crimes including violent disorder and "assault causing serious harm".

Also nicknamed Dr Coke by one Irish tabloid for fuelling the cocaine boom during the heady Celtic Tiger years, he played a key role in the organised gangs that have wreaked havoc in Dublin in recent years.

Meehan's international criminal organisation extended all the way to southern China, a Financial Times investigation has established. Although the detail was never revealed by the Police Service of Northern Ireland, one of the force's most celebrated gun and drug seizures of recent years began as an investigation into Chinese counterfeit factories.

The FT has also learned that a Hong Kong private investigator who assisted in the hunt for Meehan remains in a Chinese prison, after initial efforts by the PSNI to secure his release failed.

The plight of Danny Tsang Chi-fai, 53, highlights the dangerous work done in China by private investigators, many of them with UK links. Mr Tsang, a 20-year veteran of the Royal Hong Kong Police force, entered the investigations industry shortly after the former UK colony reverted to Chinese sovereignty in 1997.

In July 2013, Peter Humphrey, a private investigator and UK citizen, was detained by police in Shanghai. On the eve of a long-delayed visit to China by David Cameron, UK prime minister, Mr Humphrey and his wife, a naturalised US citizen, remain in custody without charge.

According to documents seen by the Financial Times, the 2008 PSNI investigation was code-named "Eclat" and cracked a criminal enterprise that dealt in counterfeit cigarettes, weapons and narcotics. The PSNI were helped by Mr Tsang, who is now serving a 10-year prison sentence in southern China after an apparent mix-up with local police.

The China connection highlights the global reach of cigarette-smuggling rackets. Customs officials say one in seven cigarettes smoked in Ireland - and one in 10 in the UK - are illicit, costing the two countries EUR2.5bn in lost taxes in 2011. The EU estimates that the illegal tobacco trade costs the bloc EUR10bn a year.

The counterfeit cigarettes Meehan imported came from Fujian province in southern China. As Operation Eclat unfolded, Mr Tsang was working for a small Hong Kong investigation firm that took on contract assignments from large multinational companies such as Japan Tobacco International.

When Meehan visited southern China in 2007, JTI executives informed the PSNI which then set up Operation Eclat. "My father did many private investigations in China and Thailand," Mr Tsang's son Pakko told the FT. "He often worked undercover, approaching the bad guys as a buyer so he could find out where their counterfeit factories were. Sometimes he would take a bag with a hidden camera."

For Operation Eclat, Mr Tsang posed as the head of a Chinese counterfeit cigarette factory while an undercover UK officer acted as middleman. The PSNI was thus able to fool Meehan, who thought he was dealing with a real counterfeit cigarette ring.

In the summer of 2008, Meehan and his associates were caught in a trilateral sting by UK, Irish and Dutch authorities that led to the seizure of more than 250 handguns, 2,000 rounds of ammunition, three hand grenades, 14kg of heroin and 5kg of cannabis.

At the time of his arrest, Meehan was carrying more than EUR146,000 in cash, with which he had intended to purchase counterfeit cigarettes. He later pleaded guilty to ten counts including conspiracy to possess weapons and drugs and evade duty on imported cigarettes. When the Crown Court in Northern Ireland handed Meehan a 21-year prison sentence in June 2010, Mr Justice Stephens found that he had "played a significant and integral role in dealing at the ***highest*** scale of organised criminals".

Back in China, however, Operation Eclat had gone badly wrong for Mr Tsang. Chinese police had seized a shipment of counterfeit cigarettes bound for Northern Ireland as part of Operation Eclat and arrested Mr Tsang. "For a long time we didn't know why my father had been arrested. He just disappeared," said Pakko.

The PSNI initially tried to help Mr Tsang, according to emails seen by the FT. Between January and July 2009, PSNI officers repeatedly told JTI executives that they had lobbied on his behalf. "[M]eetings have been arranged in London next Thurs[day] at the Chinese Embassy and at the UK Home office," one officer wrote. "We will again make the case for Danny and confirm to the Chinese that they can travel to the UK to interview Meehan. We hope that this will persuade the Chinese to again reconsider Danny's detention."

It is not clear what efforts, if any, PSNI made on Mr Tsang's behalf after that. "Criminal proceedings as a result of Operation Eclat have concluded in Northern Ireland," the PSNI told the FT earlier this week. "The Police Service of Northern Ireland does not comment on named individuals."

The Home Office declined to comment, saying that questions should be directed to the PSNI. The Chinese embassy in London did not respond to a request for comment.

In a statement to the FT, JTI confirmed that Mr Tsang was identified as someone who could help the PSNI on Operation Eclat.

"PSNI undertook to inform the Chinese authorities [about Operation Eclat] . . . and to secure Chinese approval," JTI added. "We simply do not know what, if anything, transpired between the authorities of Northern Ireland and China that would have led to [Mr Tsang's] arrest."

In December 2010, six months after Meehan's conviction in Belfast, the Zhangzhou Intermediate People's Court in Fujian sentenced Mr Tsang to ten years in prison for offences related to counterfeit cigarettes. The Chinese court rejected his defence that he had been involved in a PSNI operation.

"Hong Kong and China are different," Pakko said. "As a Hong Kong police officer, I have to prove what you did and you don't have to say anything. China is not like that. In China, my father has to prove that he is innocent."

Additional reporting by Jamie Smyth in Dublin

The Bank of England is to stop providing cheap finance for home loans amid growing concerns about the pace of house price growth. Experts said that mortgage rates were likely to rise in the medium term, while savers should benefit from ***higher*** deposit rates.

The BoE's Financial Policy Committee also warned that it could require banks to test borrowers' ability to withstand larger interest rate rises than they currently do, as it unveiled an arsenal of possible tools to calm the housing market.

"Activity in the housing market is picking up and house price inflation appears to be gaining momentum. As a result there is no longer a need for the FLS to provide further broad support to household lending," the Bank said.

House prices rose 6.5 per cent in the year to November, according to the Nationwide house price index - the ***highest*** rate of growth since July 2010. Mortgage approvals are up 34 per cent to their ***highest*** level since March 2008.

One senior policy maker said: "The BoE no longer wants to put its name to devices that stimulate the mortgage market."

Funding for Lending was launched in July 2012 and has been widely credited with bringing down rates and increasing lending volumes. It was originally destined to run until January 2015, but the provision of government finance for mortgage lending will now cease a year earlier.

Cheap funding through FLS has had a marked impact on rates. According to Bank of England data, the interest rate on two-year fixed-rate mortgages for those with a 10 per cent deposit has fallen from 5.6 per cent to 4.4 per cent over the past 12 months.

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> "Before FLS if you had a 10 per cent deposit there weren't a huge amount of options. Now it's quite common to get a 10 per cent deposit mortgage below 4 per cent," said Aaron Strutt, a mortgage broker at Trinity Financial Group.

Thirty ***high*** street lenders now offer mortgages with rates below 2 per cent. Barclays will lend from £500,000 to £2m at only 1.79 per cent.

FLS will continue to support lending to small businesses, where growth has been much ***slower***.

Mortgage brokers said the early end of the scheme would increase the cost of funds for lenders which would eventually feed through into interest rates

"We might not see a complete reversal, but I think as the months go by, we may see a gentle drift upwards for interest rates," David Hollingworth, a broker at London & Country, said.

Aside from government funds, the other main sources of finance for mortgage lending are wholesale markets and retail deposits. Rates in the savings market are expected to inch upwards as banks are forced to compete more aggressively for savers' money.

"Banks will now be looking for extra funds, and therefore savings rates should increase particularly in the long term fixed rate market," said Charlotte Nelson at Moneyfacts.

The BoE also emphasised the range of tools at its disposal to combat future risk in the housing market, which include making recommendations on bank capital requirements for residential real estate lending, recommendations on maximum loan to value ratios and recommendations to the Treasury regarding Help to Buy.

Economic crises are difficult to manage. But recoveries aren't a breeze, either. Increasingly, investors are having to negotiate rising stock prices and valuations - which are running well ahead of the improvement in fundamentals. Germany's Dax, for example, hit an all-time ***high*** this week, led by industrial and bank stocks. In the US, the S&P is trading at 25 times its 10-year average earnings, a level which presents investors with few easy wins and requires them to remain very alert. In the UK, the government and Bank of England, sensing a potential housing bubble, withdrew a stimulus measure that had been pumping up mortgage lending and personal loans. Housebuilders' shares fell on the news.

Yet, for all this, the crisis hangover lingers. Nowhere more so than at Italian bank Monte dei Paschi di Siena, which has drafted in a veritable Who's Who of banking advisers to get away its EUR3bn rights issue. Royal Bank of Scotland, rescued by British taxpayer money and now 82 per cent government-owned, also remains under assault over its small business lending practices - a controversy that has done little for its investors, who have seen a flat share price performance this year. And on the industrial front, French carmaker Peugeot, battered by the recent plunge in European car sales, is still trying to find a long-term partner - and perhaps some extra cash - to help drive more internationalisation. It has brought in ex-Renault executive Carlos Tavares as its next chief executive.

Still, there is light at the end of some tunnels. Cinda, founded in the 1990s to take on bad debt in China's banking sector, is heading to the stock market.

Dealmaking remains fairly subdued. But Germany's Bayer continued the trend for large pharma companies to effectively buy in new drugs. It made a $2.4bn offer for Norway's Algeta, which has developed prostate cancer treatment Xofigo. That looks to be on the cheap side, though. Meanwhile, in the US, cable consolidation continues, with Charter Communications circling larger rival Time Warner Cable. But if the smaller company buys the larger, one danger could be another big debt pile. And if that leads to scrimping on services, it could be a customer turn-off.

The Bank of England's regulatory arm backed away from tough capital demands for bank-specific risks as it set out the detailed implementation of new EU rules.

The Prudential Regulation Authority on Friday said lenders' so-called Pillar 2A capital requirements will not have to be met entirely with the ***highest*** quality capital. Regulators tailor secret Pillar 2A requirements to cover each bank's individual risks.

The move comes after banks urged the PRA not to pile on excessively onerous capital demands as it brings in EU-wide rules aimed at improving the resilience of the banking sector by implementing the new global Basel III standards.

Some analysts had estimated that the PRA's original capital proposal, set out in a consultation paper in August, could have forced UK lenders to hold an extra £100bn of equity capital as they push towards ratios of as much as 13 per cent compared with an existing norm of 10 per cent. The Pillar 2A requirement would have been a big part of that additional equity.

But the PRA has now changed tack, saying in a new paper that it would impose the same mix of capital as for banks' Pillar 1 requirements.

However the regulator insisted banks would still have to hold some top quality capital against risks associated with their pension liabilities - another bone of contention in its dialogue with the industry.

The PRA also said on Friday it would phase out the double-counting of capital held between subsidiaries in a banking group by 2019.

"These decisions will enhance the stability of the financial sector and strengthen the capital regime in the UK," the PRA said.

Low inflation and ***high*** unemployment continue to weigh on the eurozone economy, although data published on Friday showed a slight improvement in conditions across the currency bloc.

Inflation in the eurozone hit 0.9 per cent in the year to this month, up from October's low of 0.7 per cent but still well below the European Central Bank's target of just under 2 per cent, according to a flash estimate from Eurostat, the European Commission's statistics agency. The figure was slightly ***higher*** than most analysts expected.

Core inflation, which does not include more volatile items such as food and energy prices, rose from 0.8 per cent to 1 per cent.

Unemployment in October was 12.1 per cent, down from 12.2 per cent in September, with the number of people without jobs falling by 61,000 to 19.3m. It is the first time since the beginning of 2011 that unemployment has fallen.

László Andor, European Commissioner for employment, social affairs and inclusion, said the fall was encouraging, but the jobless rate remained unacceptably ***high***.

Marie Diron, senior economic adviser to the EY Eurozone Forecast, said it was too early to call a turning point. "The October fall is concentrated on only very few countries, mainly France," Ms Diron said. "The French government has put in place a scheme to create jobs for the young but, beside this scheme, there is no evidence yet that the private sector is creating more jobs."

In Germany, the bloc's biggest economy, unemployment was 5.2 per cent, compared with 27.3 per cent in Greece and 26.7 per cent in Spain.

The publication of the inflation and unemployment figures follow the release of worse than expected consumer spending figures for France. Spending in the bloc's second-largest economy fell by 0.2 per cent in October, against expectations of a slight rise.

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>"The outlook for private consumption continues to be challenging," said Diego Iscaro, principal economist at IHS. "The labour market situation remains tough, while low consumer confidence and tighter fiscal policy will also put downward pressure on spending."

The ECB's rate-setting governing council will unveil its latest projections for growth and inflation in the currency bloc next Thursday.

The governing council is not expected to announce any further monetary easing to follow a cut to its benchmark interest rate earlier this month, despite expectations that its forecasts for inflation will be well below target for 2014.

James Ashley, economist at RBC Capital Markets, said: "These latest outturns are also unlikely to prompt any significant change in rhetoric from the ECB, with inflation readings of around 1 per cent seemingly baked-in to the governing council's expectations."

Mr Ashley added: "We expect the press conference to show the council still talking about balanced risks to price stability, still reiterating its forward guidance and still maintaining its downwards bias and thus emphasising that it still has many weapons in its arsenal."

Apple fades in race to conquer TV

Bangkok has been gripped this week by the biggest anti-government protests since 2010 demonstrations that paralysed parts of the city for two months and ended in the deaths of scores of people. Both pro- and anti-government faction leaders are promising shows of strength this weekend.

What are the protesters trying to achieve and how are they going about it?

They want to oust the government and - according to their leader, Suthep Thaugsuban - replace it with an unelected "people's assembly". They held mass rallies in Bangkok of up to 150,000 people on Sunday and have spent every day since occupying or blockading official buildings, bedding down in the ministry of finance and - on Friday - taking a brief stroll on the lawn of army headquarters.

Their rallying cry is for the end of the "Shinawatra regime" - a reference to Yingluck Shinawatra, the prime minister, and her older brother and predecessor, Thaksin, who still wields huge political influence despite living outside Thailand since he was convicted on corruption-linked charges in 2008. Mr Thaksin's opponents say he and his colleagues have bought their way to four successive election victories since 2001, governing corruptly and incompetently. (Mr Thaksin's supporters say the opposition - and in particular the wealthy cosmopolitan elite within it - just can't accept losing power to a new money plutocrat, who won by pouring funds into healthcare, agricultural subsidies and other schemes in Thailand's poor rural heartlands).

So Mr Suthep is an anti-establishment warrior against graft and abuse of office?

Not exactly. Until he resigned from parliament a few weeks ago, he was pretty much the ultimate insider's insider, brokering power in parliament and the opposition Democrats for almost 35 years. He is also no stranger to the kind of charges he levels at his opponents. He resigned from government in 1995 amid allegations - which he denied - that he had used land reforms aimed at the poor to benefit the wealthy instead. He is also facing a murder charge over the killing of some of the 90 people, many of them Thaksin supporters, who died in 2010 when the army opened fire on demonstrators in Bangkok. The boot was on the other foot then: Mr Suthep was the deputy prime minister facing down the anti-government mob whose demands he rejected.

Protesters occupying ministries and other official buildings would not be tolerated in many countries. Why are the Thai government and security forces not stopping it?

Partly because the Yingluck government wants to avoid 2010-style bloodshed - or worse (although it's worth noting that Mr Thaksin's administration oversaw the killings of an estimated 2,500 or more people in 2003, in a brutal crackdown supposedly aimed at the drugs trade). Perhaps more important are political calculations that make it in the administration's interest to play this softly. First, Ms Yingluck has no desire to worsen instability that will damage the country's already weakening economy as the tourism ***high*** season begins. Second, she needs to cool a situation sparked by her ill-conceived and abortive efforts to push through an amnesty that critics - including some of her own supporters - said would have given Mr Thaksin a ticket home, at the expense of whitewashing him and other politicians accused of serious crimes. Third, Bangkok is in many respects natural opposition territory: people, including civil servants who have welcomed demonstrators into their departments, tend to be wealthier and better educated than the more than 50m Thais outside the metropolis. Finally, Ms Yingluck needs to be careful in her handling of the security forces - in particular the military, who deposed her brother in 2006 and owe their ultimate loyalty not to the government or parliament, but to the ageing King Bhumibol Adulyadej.

So how will this all end?

If Ms Yingluck sticks by her refusal to hold an election, Thailand's recent history suggests three potential outcomes. One is that the demonstrations fizzle out, restoring some of the premier's damaged authority and underlining the opposition's inability to mobilise a majority of Thais. A second possibility is that an agency outside politics intervenes to depose the prime minister (as the courts did in 2008, as well as the army two years previously). The final, disturbing, prospect is of violence on the streets of Bangkok again, either between pro- and anti-government supporters, or security forces and demonstrators. Whichever it is, it is unlikely to end the existential struggle between the old and new political establishment, in a country where the exercise of parliamentary democracy is complicated by powerful competing influences - not least monarchy, military and money.

Apple fades in race to conquer TV

As David Cameron, UK prime minister, heads off to Beijing with a trade delegation, another UK citizen is helping to promote commercial ties between the two countries in a rather less visible way.

Sir Tom Hunter, known for being Scotland's first billionaire, is funding two students from the UK on a full-time MBA programme at Cheung Kong Graduate School of Business. Rory Bate-Williams and Jeremy Solomons started at the school in Beijing four months ago funded with annual bursaries worth £50,000 each, to cover the cost of doing the MBAs.

"It's been an absolutely extraordinary experience," says Mr Bate-Williams who says he has been enjoying the school's emphasis on networking. He says CKGSB alumni visit the school twice a week and there are many opportunities for meeting people outside scheduled hours.

"We find ourselves sitting on the same table as Chinese politicians and CEOs," says Mr Bate-Williams, adding: "The access we've been given here is amazing."

Now the school has launched its quest for the next two Hunter scholars, who will join CKGSB's 2014 intake on its full time MBA. Although both this year's Hunter scholars are from UK, this year the school is keen to hear from applicants from anywhere in Europe.

The opportunities being enjoyed by Mr Bate-Williams are exactly what Sir Tom intended. "It used to be go west young man, now it should be go east," he says.

Sir Tom says he was "just blown away" when he made his first visit to China last year. "I thought, my goodness, there's not a lot of knowledge in the UK about China." His decision to fund the scholarship programme comes from his conviction that there should be more people in the west who do understand how things work in China.

Oliver Shiell, chief representative for Europe at CKGSB echoes his views.

"There's a massive knowledge deficit in the west on China. But if you're going to be a future CEO you're going to have to have a core competence on China and east Asia or you're not going to make the cut."

This year's scholars form part of a cohort of 40 students on the 14-month, full time programme. Only four are westerners, there are also two Koreans and three Hong Kong Chinese. The school is aiming to recruit more international students, but Mr Bate-Williams feels he has benefited enormously from the networking opportunities offered by having so many Chinese people on the course.

He says he dreams of setting up a company in China and hopes to identify a potential Chinese partner by the end of his time in Beijing.

The yen hit fresh five-year lows against its main rivals this week, with the ***best*** performance against the Japanese currency coming from the pound.

Japanese consumer price data on Friday continued to show the deflation-fighting policies of Prime Minister Shinzo Abe were reaping results, as the annual rate of inflation rose to 0.9 per cent in October, from 0.7 per cent in the previous month.

This helped ***slow*** losses for the yen on Friday, but over the week, the yen was down 1 per cent against the dollar at Y102.24 and fell 1.4 per cent to Y139.16 against the euro.

"In circumstances of aggressive monetary easing, which is coinciding with moderately ***higher*** inflation, we believe the decline in the real level of yields in Japan is a more important influence, and this points to the potential for further yen weakness," said Takahiro Sekido at Bank of Tokyo Mitsubishi UFJ.

Sterling's main boost this week came on Wednesday after the second reading of third-quarter UK growth confirmed annual GDP of 1.5 per cent, driven mainly by domestic consumption. Exports, however, were weak, falling 2.4 per cent.

"The much sought-after 'rebalancing' of the UK economy, one that relies less on domestic consumption and more on net exports has yet to evolve," said Robert Lynch at HSBC. "Market participants and policy makers should be quick to recognise that sterling's strength is impeding exports."

The pound rose 1.7 per cent against the yen over the week to Y167.07. Against its larger trading partners, the pound's rise was less marked. The euro fell only 0.3 per cent over the five trading sessions to £0.8326, while the dollar lost 0.7 per cent to $1.6341.

Analysts also pointed out that the Bank of England's decision this week to end its Funding for Lending Scheme for the UK mortgage market helped lift the pound.

Hungary's central bank on Wednesday cut its benchmark rate by 20 basis points to 3.2 per cent and said the economic environment remained "supportive overall" for easing.

The Hungarian forint fell 1.1 per cent over the week against the euro to Ft301.50, and was down 0.6 per cent to Ft221.44 against the dollar.

"This is in reaction to the latest cut in interest rates, expectations of further cuts to come and concern that the cuts could be excessive," said Stephen Leach at Citigroup.

The euro climbed 0.4 per cent over the week against the dollar to $1.3611.

India's economy grew slightly faster than expected in the latest quarter and appeared to be recovering from a low point earlier this year, but one of the country's two main business organisations said it was "worrisome" that gross domestic product had again expanded at less than 5 per cent.

GDP in Asia's third-biggest economy grew 4.8 per cent in the three months to September over the same quarter a year earlier, up from 4.4 per cent the previous quarter, according to the Central Statistics Office on Friday.

Indian growth has halved in the past two years amid a grim investment climate, and the Congress-led coalition government of Manmohan Singh, prime minister, is hoping for a recovery before a general election due to be held by May next year.

A good season of monsoon rains has boosted farm output, and the country is fast reducing its current account deficit after a sharp decline of the rupee. But persistent inflation of about 10 per cent and the threat of ***higher*** interest rates to tackle it have lowered expectations for growth. The International Monetary Fund forecasts annual growth of only 4.3 per cent in the fiscal year to March.

"The growth of GDP at sub-5 per cent level for the fourth consecutive quarter is worrisome," said Chandrajit Banerjee, director-general of the Confederation of Indian Industry. "The two drivers of growth this year - good monsoons and exports - are insufficient to pull the economy out of the present slowdown, as mining, manufacturing and service sector output remain subdued."

Naina Lal Kidwai, president of Ficci, another business group, called the latest numbers "encouraging" but expressed concern about ***high*** inflation and the ***high*** cost of credit for companies.

Miguel Chanco, Asia economist for Capital Economics, said Indian growth appeared to be "bottoming out", but he warned that India's road to recovery would be "***slow*** and bumpy".

With the central bank hawkish and the government determined to control its budget deficit, neither monetary nor fiscal policy would provide much support for growth. "Investment activity is likely to stay subdued as the government's efforts so far have not had any visible success in reinvigorating appetite for new projects or in clearing project bottlenecks."

Narendra Modi, prime ministerial candidate for the Bharatiya Janata Party, the Hindu nationalist opposition, has made growth and development the centrepiece of his election campaign and mocked Congress leaders for failing to deliver prosperity to India's 1.3bn people.

P. Chidambaram, finance minister, said on Friday he expected the economy to grow 6 per cent in the next fiscal year, 7 per cent in 2015-16, and 8 per cent the year after that, but independent economists' GDP forecasts are about a percentage point lower in each case.

The Dutch football club Ajax once ruled Europe. Graced by Johan Cruyff, the team won the European Cup three times in a row in the early 1970s. Victory over a below-par Barcelona this week aside, Ajax now struggles against football's equivalent of core Europe, while retaining the trappings - expectant fans, huge stadium, impressive wage bill - of the elite. Given its bedraggled look, the Dutch economy is a bit like that.

Friday's loss of its triple A rating from Standard & Poor's will be a jolt to Dutch amour propre. The Netherlands has an investor fan base that sees it as an integral part of the eurozone core. Its 10-year bond yield at about 2 per cent is half that of Italy or Spain. Yet perhaps it flatters to deceive. The Dutch economy is struggling to ***keep*** up with Germany; indeed, it has been the worst performer of the core eurozone countries for the past two years, a pattern that is likely to continue in 2014.

The problem - one that has flown mostly under the radar - is that the Netherlands is suffering the consequences of the bursting of a housing bubble. House prices have fallen 20 per cent from their peak. That is not nearly as bad as Ireland or Spain, where house prices fell 50 and 30 per cent respectively. But it has created a troublingly large burden of household debt - 110 per cent of gross domestic product, S&P estimates (the country's sovereign debt level of 71 per cent of GDP is well below the eurozone average).

A sharp bout of deleveraging by households, coinciding with tough government austerity measures, is the reason the Dutch economy is stalling. This is not going to end soon: Deutsche Bank estimates that Dutch GDP growth will be the ***slowest*** in the eurozone in 2014 at just 0.4 per cent.

The Netherlands has many strengths, including a bulging current account surplus and social and political commitment to reform and fiscal common sense. Still, it is ironic, and a little disturbing, that the creditworthiness of the core eurozone should be called into question just as that of the periphery is starting to recover.

Now that the Netherlands has been expelled from the triple A club, only three eurozone countries - Germany, Luxembourg and Finland - retain the top S&P credit rating. And on the day it cut the Dutch, S&P raised its outlook for Spain - where things are improving - and upgraded poor, benighted Cyprus. For the Dutch, perhaps, the eurozone crisis is just beginning.

Email the Lex team in confidence at *lex@ft.com*

China scrambled fighter jets on Friday to respond to Japanese fighters and surveillance aircraft that entered the controversial Chinese "air defence identification zone", as tensions escalate even further over the disputed Senkaku Islands in the East China Sea.

State media on Friday evening said China's air force deployed Su-30 and J-11 fighters after detecting 7 batches of 10 Japanese planes that included F-15 fighters, E-767 Awacs (airborne early warning and control) aircraft and P-3 surveillance aircraft. Xinhua said the jets were also responding to US surveillance planes without making clear whether the American aircraft had also entered the zone.

The apparent growing number of military aircraft entering the contested area highlights the concerns voiced by experts who say the risk of conflict - either accidental or deliberate - is rising quickly.

"This is a dangerous game of chicken," Ian Storey, a security expert at the Institute of Southeast Asian Studies in Singapore, before the Chinese revealed details of their latest fighter missions. "China is testing the limits of the US-Japanese relationship, and the message from the US and Japan has been loud and clear".

Earlier Japan said it would not hold talks with Beijing over the controversial new air defence zone as that would amount to accepting Chinese sovereignty over the contested Senkaku Islands, according to the Japanese defence minister.

"Under the Chinese air defence identification zone, the Senkaku Islands become Chinese territory, so Japan cannot accept it," Itsunori Onodera, Japan's defence minister, said on Friday. "Under this assumption, we cannot accept any negotiation request from Chinese side over how the ADIZ should be operated."

China last Saturday created an "air defence identification zone" (ADIZ), requiring foreign aircraft flying near the Senkaku, which are controlled by Japan but claimed by China, to file flight plans with Beijing and remain in radio contact with Chinese authorities while in the area.

Japan and the US reacted angrily to the move, which they saw as an attempt to change the status quo over the islands, which China calls the Diaoyu.

The Chinese military on Thursday flew fighter jets into the ADIZ, which partly overlaps with Japan's air defence identification zone, on Thursday, as tensions escalate in the region.

Earlier this week, the US flew B-52 bombers near the islands without telling China. Japan and South Korea have also continued surveillance missions in the area.

China on Friday hit back at Japanese criticism, saying Tokyo's actions were "entirely unreasonable and have ulterior motives".

A Chinese foreign ministry spokesman said Japan was "merely allowing itself to set fires while forbidding others to even light a lamp". He repeated China's mantra that the ADIZ was "not directed against any specific country or target" and added that over the past week, "flights over the East China Sea were not affected at all".

Cathay Pacific and Singapore Airlines have acknowledged complying with the new Chinese rules, but Japanese and South Korean carriers are refusing to file flight plans, unless their final destination is China.

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>China's move to create an ADIZ comes decades after the US, Japan, South Korea, Russia and others created similar zones. Many non-Chinese experts say the creation of an ADIZ in itself is not a problem, but they say China has stoked tensions by creating a zone that marks another bid to weaken Japan's control of the Senkaku.

In another sign that the Chinese move could cause tensions to ripple further, South Korea on Friday said it was considering expanding its air defence zone to include Socotra Rock. a submerged rock in the East China Sea that is claimed by both South Korea and China.

The rock, known as Loedo in South Korea and Suyan in China, has long been claimed by both nations, which have failed to reach agreement on their maritime boundary despite years of sporadic negotiations. The rockfalls within the air defence zone announced by China last Saturday, but not within the corresponding zone currently claimed by South Korea, which has installed a research base on it. During a meeting in Seoul on Thursday, Chinese officials rejected a request by South Korea's vice-minister for defence to redraw their air defence zone.

Sino-Japanese tensions have mounted over the past year, after the Japanese government bought three of the islands from their private Japanese owners. The move sparked widespread anti-Japanese demonstrations in China and damaged trade relations as Chinese consumers boycotted Japanese cars and other products.

Barry Desker, dean of the S Rajaratnam School of International Studies in Singapore, said the Chinese move amounted to an "own goal".

"While East Asian ***states*** are increasingly linked economically to China, they will be attracted to the United ***States*** politically and will strengthen bilateral ties with the US to balance China's growing influence in the region," said Mr Desker. "Even those sceptical of the US role in the region will acknowledge that regional support for the US policy of rebalancing will now increase."

Additional reporting by Tom Mitchell

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Houston, we have lift-off. After spluttering on the launch-pad, the UK economy has finally taken off and now appears to be approaching what economists have dubbed "escape velocity".

Output expanded 0.8 per cent in the third quarter and the Bank of England has been revising ***higher*** its growth forecasts. Gross domestic product is still almost 3 per cent below its pre-crisis peak, but some think the gap can be closed next year.

Indeed, an apparently temperate combination of rising output and still subdued borrowing costs makes for an unusually pleasant backdrop for George Osborne, UK chancellor, when he presents his "Autumn Statement" to parliament next week. After years of gloomy speeches and spreadsheets drenched in red ink, Mr Osborne could be forgiven for whistling Rocket Man when he steps up to the dispatch box on Thursday.

The markets reflect this growing confidence in Britain's recovery. The rising optimism has buoyed sterling - which rose this week against the dollar, euro and yen - and the stock market. But it has weighed heavily on UK government bonds.

After plumbing historic lows over the past two years, the 10-year gilt yield, which moves inversely to prices, has climbed steadily since early summer to near 3 per cent. The spread between gilts and German government bonds is now the ***highest*** since 2005.

Indeed, gilt investors have lost 2.8 per cent this year, compared to 2.3 per cent for US Treasuries, and a 3 per cent gain for holders of eurozone government bonds. There are fears of a repeat for gilts in 2014.

"The outlook is not particularly positive," says Alan Bridges, UK investment director at Scottish Widows Investment Partnership. "Growth is the ***highest*** in G7, and real yields are too low Gilts look expensive."

Indeed, given the rising feeling that the Bank of England could be the first major central bank to be forced to raise interest rates, some are even asking if 2014 could be the year of a great gilt rout.

The answer to that is probably not. While the gilt market will not be a great money-spinner next year, it is unlikely to be trounced. For all the optimism surrounding the economy, few asset managers and analysts expect growth to accelerate so fast that inflation becomes a real worry and leads to a sharp rise in interest rates.

"The consensus seems remarkably rosy at the moment, and that makes me suspicious," says Michael Hampden-Turner, a strategist at Citi. "It might only take one bad data point for people to get more sceptical again."

With household debt still ***high***, the Bank of England will be reluctant to move aggressively. Alberto Gallo of RBS says such ***high*** levels of household debt may only be sustainable as long as long-term interest rates remain low.

True, the Bank has shown it is concerned about the risk of Britain's property boom and consumer debt getting out of hand. This week, in an effort to prevent the housing market overheating, it ended its support for mortgages and personal loans through the Funding for Lending Scheme. But it is unlikely to hike rates soon.

Mike Amey, head of sterling portfolios at Pimco, says the Bank will not lift interest rates until 2015 and possibly 2016.

"The economy is simply not strong enough to withstand ***higher*** rates yet," he argues. Extremely long-dated gilts may still prove vulnerable to shifting expectations, but anchored interest rates will help support most of the market.

Moreover, the UK's large institutional investor base is likely to help ***keep*** any increases in gilt yields relatively subdued.

Many pension funds and insurers remain keen to shift their portfolios more towards bonds, which better match their liabilities. Rising yields would actually make bonds more attractive to these investors, points out Robert Brown, chairman of Towers Watson's global investment committee, which advises investors.

"It's probably an inexorable trend," he says. "Real rates could of course go much ***higher***, but there is a lot of structural demand in the UK that would put a lid on the move."

Gilt supply is also falling. John Wraith, a strategist at Bank of America Merrill Lynch, estimates that the UK's net issuance will slip below £100bn over the next fiscal year, compared to the £110bn or so indicated by the March budget. That would be the lowest net borrowing since 2007.

Alan Wilde, head of fixed income and currencies at Baring Asset Management, expects the 10-year gilt yield to be closer to 3.5 per cent by the end of next year. But he, too, is far from convinced that the economy is approaching escape velocity quite yet. "The numbers are better, but not racy enough to really damage the gilt market," he predicts.

British retailers are stepping up promotions in a move that emulates Black Friday in the US, as they seek to fire up spending ahead of the crucial Christmas trading period.

Hundreds of customers queued outside Asda stores on Friday, ahead of deals being unleashed on toys and electricals at 8am, as well as outside John Lewis department stores. John Lewis, as well as matching competitors' prices, was for the first time offering its own savings on some electrical appliances and televisions.

"It's clear that Black Friday has stretched across the pond and is no longer just an American phenomenon," said Ed Connolly, buying director for electricals and home ***technology*** at John Lewis.

A plethora of promotions was evident online and across the ***high*** street, with some well-known names offering savings on clothing, homewares and beauty, as they try to capture Christmas spending in the crucial weekend after payday.

"Lots of people are trying to kick-start Christmas," said Christine Cross, the independent retail adviser. "I think we will probably see a seamless run [of promotions and sales] from now until the end of January."

Among the chains advertising savings, Debenhams was offering 10 per cent off beauty products and VAT savings on individual bottles of fragrances. Hobbs, the fashion chain, began its sale on Thursday, with savings of up to 50 per cent across the store.

Some retailers are concerned that by emulating the US with Black Friday deals, British store groups are importing a damaging and unnecessary promotional event, ahead of the crucial Christmas trading period.

Neil Saunders, managing director of Conlumino, the retail research group, said: "There is real logic in the US as to why Black Friday exists, coming the day after Thanksgiving. There is no logic in the UK, and it is a terrible time to be discounting."

But Andrew Moore, head of Asda's general merchandise business, defended the supermarket's decision to bring Black Friday across the Atlantic from its parent Walmart.

"They said a similar sort of thing about Halloween, that Halloween was not a UK phenomenon, but look at it now," he said.

"These are not products that we have had in store, that we are going to do [price] cross-offs on. These are new products that have been sourced specifically, and they represent our outstanding value for money," he added.

The ***high*** street promotions come after a poor October for fashion sales, according to senior retailers. However, the past few weeks have been better, they said, as the weather turned colder.

Nevertheless, Mr Saunders said Christmas trading had been sluggish so far, with consumers leaving it later to do their shopping. Conlumino found that only 53 per cent of people had finished their gift shopping, compared with 70 per cent this time a year ago.

Despite the proliferation of promotions, some retailers, such as Fat Face and New Look have been moving away from discounting.

The potential of crowdfunding to unleash a nation of angel investors is being held back by the regulator's refusal to allow people to use these platforms to back start-ups created by friends and family, according to venture capitalist Jon Moulton.

Mr Moulton, founder and managing partner of Better Capital, which specialises in company turnrounds, says the Financial Conduct Authority was mistaken to limit the ability of "unsophisticated" investors to use crowdfunding services to invest in companies.

"Investors want to support UK companies at a time when ***high*** street banks aren't lending," he says.

"However the FCA rules propose stopping those that are not classed as 'sophisticated' or '***high*** net worth' investing more than 10 per cent of their net investible portfolio in unlisted shares, unless advised. This is wrong."

His views are echoed by crowdfunding website operators. Jeff Lynn, chief executive of Seedrs, says US law was a lot more accommodating to people who wish to put money into ventures started by friends and family.

"Most people who want to get a portfolio of investments pass the [FCA] sophisticated investor test," notes Mr Lynn.

"Where we have concerns is where there are people who probably shouldn't be investing in start-ups generally but are good friends with someone who is starting a business and wants to put £50 into it as an investment."

A poll of 1,000 active investors, not classed as sophisticated or ***high*** net worth, conducted by crowdfunding platform InvestingZone found that two-thirds wanted more control over their investments and a third were frustrated with broker and adviser fees.

Richard Brockbank, co-founder of InvestingZone, says he welcomes the FCA's regulation of crowdfunding because it standardises the rules and gives investors confidence to use it.

However, he claims that the benefits should not be limited to those classed as sophisticated investors or ***high*** net worth.

"At InvestingZone, we have gone to great efforts to make sure that the risks inherent in early stage investments are clearly presented on our platform and that only investors who understand those risks are admitted.

"With regards to limiting the amount that can be invested, we feel that this is patronising to investors who can demonstrate that they know what they're doing but just don't happen to be rich."

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>Tom Ball, founder of NearDesk, a web business that enables people to rent desk space by the hour, was approached by an angel wanting to invest £50,000, who ended up investing through the company's £84,500 crowdfunding campaign on Seedrs.

"Having the crowd attracted the angel and gave him confidence," says Mr Ball. "Seeing a large amount go in gave the crowd confidence, so the two worked well together."

The lines between angel investing and crowdfunding are and should be getting increasingly blurred, adds Mr Ball.

"The Seedrs nominee structure means that smaller investors are amalgamated into one shareholder so the old paperwork and communication problems go away."

Another keen supporter of crowdfunding is Caspar Craven, co-founder of business analytics provider Trovus.

"We needed more working capital earlier this year [and] the offer from our bank frankly didn't make sense for us," he says.

"We turned to crowdfunding and raised all we needed within one hour. It was unbelievably quick and easy."

The growth generated by the investment round has meant that Trovus is now looking at further financing rounds using crowdfunding platforms, adds Mr Craven.

"I'm on a mission now to share with fellow ***entrepreneurs*** how crowdfunding is a game changer for the ***entrepreneur***."

David Cross, an FCA spokesman, says the proposed rules would not prevent people from putting money into their family members' start-ups on a one-to-one basis, but would limit the potential risks to individuals of losing money.

"I understand Mr Moulton's criticisms, however, there is nothing in the example he cites stopping kin from investing in their family member's venture," Mr Cross explains, adding that the FCA's proposed rules related to the promotion of unlisted shares through a crowdfunding platform.

"We want to make sure that those who are investing in quite ***high*** risk equities have the ability to either have access to advice or are sophisticated investors and have a limit on how much they could potentially lose," he adds.

Luxury brands have been flourishing for the past few years, fed by demand from affluent Chinese consumers even as the financial crisis and debt woes have ravaged markets in the US and Europe. However, a combination of the ***slowing*** of the Chinese economy and a government crackdown on gift-giving is forcing marques to rethink their strategies and face the threat of a drop in valuation premiums.

Until about a year ago, a Chinese official might have been able to get away with wearing an expensive wristwatch in public.

But since China launched a crackdown on corruption and ostentation, a flashy watch - traditionally a popular gift given by those seeking to curry favour with Chinese businessmen and politicians - has become more of a liability than an asset.

No one knows this better than Yang Dacai, a safety official in Shaanxi province who first entered the public consciousness after he was photographed smiling at the scene of a nasty road accident last year.

Outraged by his apparent insensitivity, users of China's microblogging site Weibo posted pictures of Mr Yang wearing an array of luxury watches, earning him the moniker "Brother Watch" - and the attention of the Chinese authorities. In September, he was sentenced to 14 years in prison for corruption.

The clampdown has had a big effect on the Chinese watch market, which has powered the watch industry for the past three years. In 2012 Chinese imports of Swiss timepieces were worth SFr1.65bn, up from just SFr94.2m in 2002. However, in the first seven months of this year, they were down 12 per cent, and have since recovered only slightly.

"The clampdown has basically killed gifting in mainland China," says Jon Cox, an analyst at Kepler Cheuvreux. "I assume that this accounted for one-third of the watch market on the mainland."

However, while Mr Cox does not expect gifting to re-establish itself, he expects the Chinese market to grow more robustly in 2014 than it has this year.

"First of all, the comparisons with this year will be easier. And second, the number of millionaires and rich households in China is rising faster than anywhere else. So I think we will see demand pick up again," he says.

Third-quarter retail results have been grim for many US and UK mass market retailers, such as Target and Walmart, and analysts are growing increasingly concerned about the Christmas season. Analysts in the UK downgraded expectations for Marks and Spencer this week, and Retail Metrics, a US research group, says earnings at the 120 retailers it follows are forecast by analysts to rise by just 2.2 per cent year on year for November, December and January, compared with a 11.8 per cent jump for the same period last year.

Their pessimism comes despite overall economic data that suggest the two economies are on the recovery trail. UK third-quarter growth was recently confirmed at 0.8 per cent, the ***highest*** rate since 2010, and business investment is rising. The US economy grew at an annualised rate of 2.8 per cent in the same period. The problem for retailers and other companies that sell to consumers is that ordinary people appear to be experiencing little if any of the prosperity. In the UK, Markit's index of household finances, which measures perceptions of wellbeing, recently hit its lowest level since April, and the Conference Board's index of US consumer confidence fell to a seven-month low this week.

So far the main response by the retailers has been to roll out ***high***-profile discounts pegged to Black Friday, the big shopping day after US Thanksgiving, and to flood email in-boxes around the world with special offers aimed at tempting consumers to open their wallets. These are so prevalent that some analysts are now calling Thanksgiving "red Thursday" to reflect all the loss-leading promotions.

But there might be another way. Back in the 20th century, when Henry Ford's car company set the model, many manufacturers consciously sought to link their product prices and their employees' wages so that the latter became a natural market for the former.

"Fordism" fell apart when global competitors began offering similar products at lower prices - think of the Japanese car invasion. But now wages and prices have become so decoupled that many workers cannot afford the goods they build and sell. In a much discussed example, an Ohio Walmart holds an annual Thanksgiving food drive to help employees who are having personal financial issues.

While retailers are in the spotlight because of Christmas, the same story applies to the car industry. Sales are strongest in countries such as the US and UK, where leasing has taken hold and low interest rates make nicer cars relatively affordable. The UK has also seen a jump in sales because of the £14bn payment protection insurance scandal - many consumers are using their compensation money as the deposit on a new car. Once interest rates begin to rise, the monthly payment on a new car may again climb out of reach.

In today's cost-cutting environment, raising worker salaries is not something many companies do voluntarily. But such a step is not out of the question. Japan's largest brokerage, Nomura Securities, announced on Friday that it plans to increase pay for 4,000 staff members. Aimed at fighting deflation, the pay rises are targeted at younger employees who are more likely to go out and spend.

Shaun Pulfrey, 51, launched his Tangle Teezer detangling hairbrush in late 2007, having been turned down for an investment by the panel on BBC2's Dragons' Den. Today, his company's turnover is £8.5m, with total sales of six million hairbrushes in more than 60 countries. The Tangle Teezer won the company the Queen's Award for Enterprise in Innovation in 2012.

Shaun Pulfrey CV

Born: Grimsby, 1961?

Education: Matthew Humberstone comprehensive school, Cleethorpes

Career: Worked for a local hairdresser before training as colourist at Vidal Sassoon in 1982. He went on to work for them in San Francisco, New York, Los Angeles and Boston before leaving to launch the Tangle Teezer

Lives: South London. He is single

Other interests: Supports breast cancer charities

Did you think you would get to where you are?

It did not totally surprise me that I am running my own company. I had no aspirations to own a salon but once I had the idea for the product and began the research I was driven to make it a reality. Until then I had always wanted to be the ***best*** colourist possible.

When you had made your first £1m did you want to ***slow*** down?

During our financial year ending in March 2011 we generated sales of £2.2m. The previous year it was £813,000. I was aware of the money but I always look at the number of products. We could not ***slow*** down. It is like a beast that you have got to feed. You have got to ***keep*** up with it, especially as we had managed to get our tooling capacity up. All I wanted to do was to increase our distribution. In the next five years we want to achieve a turnover of £50m per annum.

How did you fund your invention?

Largely by working as a hair colourist. In order to find £98,000 I basically did not go out, I did not buy any new clothes and I did not go on holiday for three years. When I needed more money it came from remortgaging my two-bedroom flat in Brixton, which gave me £25,000, six months' capital that was make or break. I worked four days in the salon and the rest of the time I was doing Tangle Teezer. The research and development seemed to go on forever.

What is the secret of your success?

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> It is to share my good fortune - empowering staff, encouraging them to develop as the company grows at such a rapid rate, to travel and see different countries and cultures. The reason I am selling well in Brazil is that the distributors there are so enthusiastic. They get as passionate about the product as I do. I am also driven, and constantly looking to develop and grow the brand.

What did you ask for on Dragons' Den?

I pitched for £80,000 in return for 15 per cent of the company. I realised after a very short time that they were not interested. They just did not get it, though my product was visual and I could show viewers it worked. Peter Jones said it was a hair-brained idea! It was interesting because I already had a route to market, and the way I looked at the Dragons is that they were a pleasant distraction. They now regard Tangle Teezer as the idea that got away.

What was the most challenging period of your career?

After doing almost everything on my own, it was finding people around me from 2008 onwards to come and take the business further. We now have 15 staff in the office. I had to trust them to do the job. We are quite a varied bunch, including a chief operating officer, a sales team, in-house marketing/media team, two accountants, a lawyer, and four logistics people.

How much did it cost to take out patents worldwide?

We put about £20,000 into the patents and intellectual property when we had not even sold one single product. It was very risky. The patent and IP fees have to be constantly renewed. We spent £200,000 last year enforcing our intellectual property rights.

What is your basic business philosophy?

To be honest it was to develop products to solve the problem of tangled hair. We put the ***technology*** into the hairbrush, the teeth design allows it to flex over tangles. It was a commitment to the customer.

Have Facebook and Twitter been a strong boost to sales?

Massively. While we focused on advertising in the trade press, nearly all our sales have been through print and social media. That's how we have become global within five years. We had Victoria Beckham tweet about us, and Emma Watson and Cara Delevingne praised it in magazines and on podcasts.

For the first two years it was like a runaway train, trying to ***keep*** a grip on managing the supply to meet the ever-growing demand. It was the mothers of young daughters with tangled hair who kick-started our sales, then the product appealed to hair salons and teenage girls, and even men.

Interest from China came through a blog nearly three years ago. A famous Chinese model and make-up artist bought a Tangle Teezer in Boots and tweeted about it. Then distributors in Shanghai approached us.

Do you want to carry on till you drop?

I want to carry on because I owe it to those around me, for them to enjoy the success as well. There are still lots more things for me to do. In about five years' time it will be in the interests of the business for me to sell it. Then I would like to ask all my close friends to join me in sailing around the world.

Have you made any pension provision?

When you get to a certain level and the company starts turning over so much money, you do get advice from the banks. I took out a private pension when I was 48 because I simply did not have the spare cash to put aside before then. I pay in the maximum possible, and I would like to think that when the business is sold the proceeds will be part of my pension pot.

What is your commitment to charity?

I support breast cancer charities both as a company and an individual, as my mother was diagnosed with cancer when I started the business. Mum has survived and now I can treat her to anything she wants. One of our Compact Stylers we made specially to support breast cancer care, with 20 per cent of the retail price going to charity.

Do you allow yourself the odd indulgence?

I have bought myself some nice Bottega Veneta "man bags". I spent £2,200 on the last one. I have bought a lovely three-bedroom house with a garden, which I never thought I would have in London. My latest indulgence is an Audi R8 Spider with a V10 engine.

How have you survived the recession?

The recession did not affect us, though it was just kicking in when I quit my job in London and launched the Tangle Teezer in October 2007. I was ready and everything was in place. It was then or never.

At the outset my limited company paid me £549 a month, which had to cover the mortgage and everything else. By the end of year two I was earning more than I had earned as a colourist. In a recession people spend their money cautiously. One American woman said the product looked like it cost 20 cents but it gave a $20 benefit. The Original hairbrushes retail at £10.20.

France may be caught up in a fraught national argument over its underperforming economy but that has not stopped a passionate debate breaking out over a government-backed proposal to clamp down on prostitution.

In a country renowned for a near-obsession with sensuality - every other television advert seems to be a dreamy, sex-charged pitch for perfume - the plan to penalise people who pay for sex has evoked an ardent response, from politicians and feminist groups to celebrities and prostitutes themselves.

One prominent contribution came from a group of self-styled "343 bastards" - all men, several of them well known - who signed a petition organised by a magazine against the proposed law under the banner "Hands off my whore" (Touche pas à ma pute).

It was meant as an ironic reference to a 1970s pro-abortion campaign by "343 bitches". However, it backfired, provoking a furious response from, among others, France's Union of Sex Workers (Strass), which also opposes the new law.

A sheepish Nicolas Bedos, comedian and film director, apologised for signing the petition. But he said: "To want to abolish prostitution is like wanting to abolish rain."

The bill's supporters disagree.

The proposed legislation, which the National Assembly began debating on Friday, would scrap a 10-year-old law against soliciting and replace it with a provision outlawing payment for sex, punishable by a EUR1,500 fine. A similar step was taken by Sweden in 1999.

Also included are provisions to help women leave prostitution and a move to force internet providers to block access to foreign websites offering prostitution services.

President François Hollande's government is not sponsoring the bill. The president, already deeply unpopular as he struggles to get the economy moving, wants to avoid anything like the public furore that erupted when the government pushed through a law enshrining same-sex marriage.

Nonetheless, the government is backing the bill. "After the abolition of the slave trade, we must abolish the trade in prostitutes," declared Najat Vallaud-Belkacem, minister for women's rights.

The Paris brothels of the belle époque may still evoke a certain romantic image but the modern-day reality is more about foreign prostitutes controlled by criminal gangs plying their trade in streetside vans and city parks, such as the Bois de Boulogne.

Official estimates indicate that there are at least 20,000 prostitutes in France. "We think there are many more than that," says Morgane Merteuil, secretary-general of Strass.

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>Some 85 per cent are said by the authorities to be from outside France, from Africa, eastern Europe and Asia. Police say 52 pimping networks were broken up last year, two-thirds of them foreign.

Unlike in some neighbouring countries such as Germany, where there are systems for licensing prostitution, there are already tough laws in France against pimping and running brothels, although prostitution itself is legal.

Dominique Strauss-Kahn, former head of the International Monetary Fund, is awaiting trial on pimping charges, which he denies, linked to his admitted participation in "libertine soirées" that allegedly involved prostitutes.

He has protested that he is the victim of a confusion of morals and the law. A similar argument is made by many opponents of the prostitution law. A group of celebrities, including the actress Catherine Deneuve and singer Charles Aznavour, have signed a protest petition that declares: "We reject the criminalisation of those who prostitute themselves and those who seek their services."

Ms Merteuil says: "If someone wants to work in the street she should be able to. If girls want to share a flat or a place to work, that should be allowed as well."

But supporters of the bill insist the overwhelming number of people working as prostitutes are doing so under duress, at risk of violence and disease.

Maud Olivier, one of the members of parliament who drew up the legislation, says there is a need to shift the criminal emphasis on to the client to ensure that "the prostitute is no longer treated as a delinquent but a victim who needs help".

The bill, which has split opinion across party lines, does not seem to have won popular backing: a recent TNS Sofres poll showed just 22 per cent public support for targeting the client.

The EU issued a stern rebuke over Russian interference on Friday after Ukraine failed to sign a hoped-for deal to integrate more closely with western Europe, throwing the ex-Soviet republic's future direction into question.

EU leaders meeting in Lithuania had urged Ukraine's president Viktor Yanukovich to put the planned agreement back on track, a week after his government froze preparations for signing the deal and reopened talks on closer ties with Russia.

Ukraine's move followed months of trade, energy and security pressures from Russia against it and other former Soviet ***states*** pursuing integration deals under the EU's so-called Eastern Partnership programme. Moscow also banned dairy goods from Lithuania, the summit host and one of only three ex-Soviet EU members.

"Actions taken by Russia [towards] Eastern Partnership countries are incompatible with how international relations should function on our continent in the 21st century," said Herman van Rompuy, European Council president. He added Russia's actions breached international treaties giving sovereign countries the right to "freely define relations" with other ***states***.

José Manuel Barroso, European Commission president, said the "times of limited sovereignty in Europe are over".

The EU's unusually blunt words came as thousands of Ukrainians demonstrated in Kiev over their president's failure to sign the European deal, with more expected to gather through the day. The issue has sparked the biggest rift in EU-Russian relations since the Russian-Georgian war of 2008, which followed efforts to put Ukraine and Georgia on the path to Nato membership.

The EU managed to salvage some success for the Eastern Partnership as both Moldova and Georgia shrugged off Russian pressure and initialled integration agreements, in what German chancellor Angela Merkel called a "very brave step". The two countries are expected to reach the final stage and sign deals next year.

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>Armenia had been due to initial a deal, too, but U-turned in September, saying it would instead join a Russian-led customs union that Vladimir Putin, Russia's president, is also trying to entice Ukraine to join.

Mr Yanukovich said Ukraine could not proceed with an EU deal as his country needed "decisive steps" from Brussels to deliver a "programme of financial-economic aid" to help Kiev deal with a severe cash crunch and offset Russian trade retaliation.

EU leaders failed even to sign a mooted joint declaration with Mr Yanukovich committing the two sides to work towards signing the deal at a summit in Kiev in March, which officials had discussed on Thursday.

Video footage from inside the summit showed an awkward-looking Mr Yanukovich being greeted by Ms Merkel with the words, "Nice to see you here. But we expected more."

Mr Yanukovich replies: "The economic situation in our country is very complicated . . . we had very big threats.

"I've been alone for three and a half years . . . in very unequal conditions, with a very strong Russia," he adds.

But Dalia Grybauskaite, Lithuanian president, accused her Ukrainian counterpart of using Russian pressure as an "excuse".

"The whole experience of Lithuania shows that if you have the political will to resist and not to give in, pressures are not working," she said. "Here probably we see external pressure being used as an excuse for stopping the integration process with the EU by the leadership of Ukraine themselves."

Thames Water has given up on its attempt to impose a one-off inflation-busting increase in customer bills from April.

But Britain's biggest water and sewage service provider will still raise its prices by the maximum allowed under the regulator's five-year pricing formula - in spite of pledges from other water companies to soften price rises next year.

As a result, next April, Thames Water bills will rise by 1.4 percentage points more than the rise in the retail prices index measured in November - taking the average bill from £354 to £360 plus inflation.

On Friday, chief executive Martin Baggs defended Thames Water's position on pricing, saying: "We are very much aware of the current focus on our customers' cost of living . . . this [average bill] is the second lowest in the industry at about £50 below the average."

Stuart Siddall, chief financial officer, added that Thames Water was still considering whether to pursue its right to eventually claw back its proposed surcharge, which was rejected for a second time by industry regulator Ofwat earlier this month.

However, he confirmed that it was now too late to impose the proposed 8 per cent additional surcharge on bills by April. He added that any cost overruns would have to be recouped in the next five-year regulatory period from 2015 - if the regulator allowed it.

Thames had argued that a combination of customers' bad debts, extra responsibility for private sewer maintenance and preparations for a £4.1bn London "super-sewer project" had justified its plan for an 8 per cent price rise.

Its tough stance on attempting to claw back costs came as Ofwat and Owen Paterson, the environment secretary, were calling for companies to moderate their price increases over the remainder of the decade.

All companies in England and Wales are scheduled to submit five-year pricing and investment proposals to Ofwat on Monday that run from 2015.

This week, South West Water announced a two-year price freeze, while United Utilities said its April increase would not exceed inflation. Severn Trent is already committed to below-inflation increases next year. Wessex Water has also committed to reducing prices in real terms over the next six years.

In April, Thames raised average prices by 5.5 per cent, increasing a typical household bill by £18 to £354 a year. That led to a rise in turnover from £903m to £977m in the six months to September.

Operating profit advanced from £311m to £349m but a £16m increase in net financing costs, to £211m, moderated the rise in Thames Water's pre-tax profits, which climbed from £113m to £134m.

The company attributed the rise in finance costs to the increase in its net debt from £8.4bn to £8.7bn over the period.

A jump in tax credits from £15m to £99m, attributed to the fall in the marginal rate of corporation tax on deferred liabilities, prompted a near doubling of post-tax profit from £128m to £234m.

Even so, Thames Water denied that shareholders would profit from the declining tax burden. "The reduction in the deferred tax provision has not resulted in any tax refund or rebate to the company and will, in the long term, benefit customers and not shareholders," it said.

David Cameron will visit China next week as the prime minister looks to celebrate the reopening of top-level ties with the world's second-largest economy.

The prime minister will lead the UK's largest trade delegation as he embarks on a two-day visit during which he will attend dinners with President Xi Jinping and Premier Li Keqiang.

The visit brings to a close 18 months of diplomacy as London tried to reopen routes into Beijing closed off after Mr Cameron met the Dalai Lama, an incident that infuriated the Chinese. Number 10 is billing the trip as an opportunity to "turn the page" after that row.

Mr Cameron has long stressed the importance of the UK-China trade relationship, promising in 2010 that he would double British trade there by 2015 to £62bn. So far, the policy has not paid off - a Foreign Office study in January showed the UK share of the Chinese market had fallen to just 1 per cent in the past decade.

In an attempt to reboot the trading partnership, Mr Cameron will take 120 businesspeople with him next week, the largest British trade delegation put together, much larger than the one he took to China in 2011.

The delegation will include Ralf Speth, chief executive of Jaguar Land Rover, who is opening a new training centre in Beijing, as well as a string of other FTSE 100 executives. They include George Weston, chief executive of

Associated British Foods, Jorma Ollila, chairman of Royal Dutch Shell, Xavier Rolet, London Stock Exchange chief executive and Peter Sands, head of Standard Chartered bank.

Stephen Crisp, JLR's global director of government affairs, said the trip represented a "huge opportunity" for the companies involved. "It shows the UK's long-term commitment to the country. But also the prime minister will be followed by Chinese politicians wherever he goes, and that will make sure they notice us."

Sir Andrew Witty, chief executive of GlaxoSmithKline, will also join the trade mission despite the company having admitted it may have violated Chinese law with its sales practices.

The company is being investigated by the Chinese authorities over allegations that it bribed Chinese doctors to prescribe its medicines, but has since said it will change its commissions model. Mr Cameron may use the opportunity to lobby Beijing on the pharmaceutical group's behalf during the four-day visit.

The visit is expected to produce deals, but it is as important for its symbolism as it is for signing contracts. For the last 18 months, the prime minister has not been able to meet his Chinese counterparts, while more junior ministers, such as Lord Green, the trade minister, and Jeremy Browne, the former Foreign Office minister, have had meetings in Beijing cancelled at the last minute.

The official deep freeze began in May 2012 when Mr Cameron met the Dalai Lama in London, which the Chinese foreign ministry said "hurt the feelings of the Chinese people".

That damage was only repaired when Mr Cameron told the Commons in May that the UK did not support Tibetan independence, a statement that paved the way for George Osborne, the chancellor, and Boris Johnson, the London mayor, to travel to China last month.

Western diplomats in Beijing however say the UK has given up too much in its bid to attract Chinese money. One senior Beijing-based Asian diplomat called Britain's position over the Dalai Lama "total capitulation".

Downing Street insists it has sacrificed relatively little to win its way back into Beijing, pointing out that the Tibet statement was merely a restatement of the government position. The statement also falls well short of the joint statements with Beijing that both France and Germany had to sign after they suffered a similar reaction following meetings with the Dalai Lama.

Having secured separate dinners with both Mr Xi and Mr Li, British officials may now feel the sacrifices they did make were justified.

Rio Tinto is to shut an alumina refinery in Australia in a sign of the prolonged tough conditions facing the aluminium industry.

The economics of producing aluminium have been transformed by the rapid expansion of refining and smelting capacity in China. Rio's $38bn acquisition of Alcan in 2007, and subsequent huge writedowns on the overpriced deal, have come to epitomise the problems of the world's largest diversified mining groups in dealing with the aluminium sector's transformation.

Aluminium also has one of the worst oversupply problems among globally traded metals.

Rio is to close the Gove refinery after failing to reduce the plant's energy costs by securing a supply of natural gas from the government of Australia's Northern Territory, where the plant is located.

"The refinery is no longer a viable business in the current market environment . . . there is nothing more the Northern Territory government could have done to help secure a long-term future for the refinery," Rio said. The miner said the decision was also based on continuing low alumina prices, a ***high*** exchange rate and substantial after-tax losses for the refinery.

The closure, which will begin next year, was announced a day after Rio stepped up its commitment to another part of its Australian operations, saying it would expand output over the next four years at its iron ore mines in Western Australia's Pilbara region.

Rio said on Friday it planned to maintain its bauxite mines at Gove. Bauxite is the raw material refined into alumina, which is then smelted into aluminium, and the miner has been more optimistic over the global market for bauxite than for the finished metal. "We have a firm belief in the potential of the bauxite operation, a quality asset with a long-term future," said Sam Walsh, Rio's chief executive.

Gove was part of a set of aluminium assets known as Pacific Aluminium that Rio failed to sell this year, underscoring the poor outlook for the sector. The Gove refinery produced almost a quarter of Rio's 7m tonnes of alumina in the first nine months of the year.

New data on Friday from the Bank of England were welcomed by economists as evidence of a strengthening housing market and improving household finances, but the numbers also contain an unpleasant truth.

That is, households in the UK who need low rates most are probably not getting them, even after the combined effect of the Funding for Lending Scheme and the Help to Buy programmes.

These schemes may be lifting house prices but are doing nothing to boost the spending power of heavily indebted households. Since January, average rates on a 2-year fixed rate mortgage with a 25 per cent downpayment have fallen 0.63 percentage points to 2.48 per cent. But standard variable rates (SVRs) have fallen by exactly 0.02 percentage points to 4.36 per cent.

Surprisingly, neither the Bank of England nor the Financial Conduct Authority has data on how many of these mortgages remain outstanding. Yet with nearly two full percentage points between new, fixed-rate mortgages and standard variable rates, one would think that most households who can afford to refinance, have.

The relatively low level of remortgaging activity last year points to very little refinancing of existing debt. That may be because spreads between existing and new debt were relatively narrow. However, in recent months, the spread has been blown apart (see chart).

It may well be that those who have not remortgaged are those who simply cannot. There may be too little equity in the home to qualify for the ***best*** rates or incomes are not ***high*** enough. Some portion of them may be households who had been transferred to interest-only mortgages as a means of avoiding foreclosure.

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And it is precisely these credit-constrained households that would be most likely to step up consumption if they had the benefit of lower rates. Just as refunds of Payment Protection Insurance were judged to have had ***higher*** multipliers because they went to the cash-poor, so too would reductions in SVR.

Confidence in Spain's economic recovery received a fresh boost on Friday when Standard & Poor's revised its country credit outlook from "negative" to "stable" and signalled that it was less concerned about Spanish debt than before.

The credit rating agency said it still rated Spanish sovereign debt at triple B minus - only one notch above junk - but that there was now a much smaller chance of a further downgrade in the next two years.

"We see improvement in Spain's external position as economic growth gradually resumes," said an S&P statement.

The change comes weeks after Fitch, another credit rating agency, made a similar move, shifting Spain's credit outlook from "negative" to "stable", and adding that the economy was now on a "surer footing".

Both actions reflect growing confidence among analysts and investors that Spain is on a path of ***slow*** but stable economic recovery, thanks to a surge in exports and the gradual restoration of competitiveness in the private sector after years of wage restraint and job losses.

The recent shift in market sentiment was confirmed last month when the national statistics office said Spain had emerged from more than two years of recession in the third quarter of this year. The Spanish economy was found to have grown 0.1 per cent in the three months to September - a tiny improvement compared with the previous quarter, but a potentially crucial break in the economic trajectory.

S&P made clear in its statement that Spain continued to face severe economic challenges, warning in particular of the country's ***high*** unemployment rate and the severe debt problem hanging over the private and public sector.

"Domestic demand is weak and constrained by further declines in disposable income due to ***high*** unemployment, reduced wages and budget consolidation. In addition, investment activity remains subdued as the private sector deleverages its balance sheets and credit activity continues to decline," said the agency.

The broadly positive stance taken by S&P was mirrored in a research report on the Spanish economy released by Barclays on Friday.

"The economy is turning around, unemployment is stabilising, and the internal devaluation appears to be working, as demonstrated by strong export performance and the gains in export shares of world markets," said the Barclays analysis.

"However, the recovery is very mild, and is likely to remain subdued throughout 2014 as the private sector deleverages, fiscal headwinds remain strong and credit conditions remain tight in 2014 and probably in 2015."

The Spanish government believes that the economy will grow 0.7 per cent next year, and will start creating jobs in the first half of 2014. Spain's unemployment rate stands at 26 per cent - among the ***highest*** in the western world.

What is crowdfunding?

One of the dramatic changes that the internet has created on commerce is the ability to make it much easier and cheaper to connect those with something to sell with those with money. Crowdfunding applies this matchmaking process to people with a need for cash and donors or investors.

Who is doing this?

The two largest crowdfunding marketplaces are New York-based Kickstarter, which focuses on creative projects, and San Francisco-based Indiegogo, which has a wider remit, enabling people not just to put money into creative projects but to donate to charitable causes and take stakes in commercial start-ups. Seedrs, which has its headquarters in London, focuses only on companies seeking equity backing.

What is in it for the crowdfunding platforms?

They charge a fee, which tends to be a percentage of the amount raised. Seedrs, for instance, has a fee of 7.5 per cent of the total. Kickstarter will apply a 5 per cent fee, plus payment processing fees of 3 to 5 per cent, for successful campaigns. It charges nothing if the target is not hit.

Is crowdfunding the same thing as peer-to-peer lending?

Not according to those who call themselves this, such as Zopa, Thincats and Funding Circle. Like crowdfunders, these peer-to-peer lenders use the vast reach of the internet to bring together people with money and those that need it. Unlike crowdfunding companies such as Kickstarter and Seedrs, the peer-to-peer lenders are focused on enabling people to lend money, as opposed to investing or donating cash.

How do you get involved as an investor/lender?

Investors can search the websites for projects using keywords. They then click to make an investment, much as people buying something online after completing a sign in and giving their bank details. Money is taken when the pledges reach the target set by those seeking funding.

What kind of return, if any, can you expect?

Investing, whether in the conventional sense or through crowdfunding websites, is a risky venture. Even with traditional venture capital financing, investors in start-ups lose their shirt up to 75 per cent of the time according to some studies. Crowdfunding is still in its infancy so there is little data on actual return rates, although angel investing, which is comparable, has been found to produce, on average, an annualised rate of return of 22 per cent.

Many people backing Kickstarter projects are donating the money. They may get an early prototype of a product they are backing or some other "reward", but not an equity stake.

Peer-to-peer lending may offer better returns to savers than traditional bank deposit accounts. For example, Ratesetter has been offering a pre-tax five-year fixed interest rate of 5.7 per cent on loans, compared with 3.1 per cent from a conventional savings account, according to the price comparison website Moneysavingexpert.com. Funding Circle, which organises loans for businesses, not individuals, claims to offer an average net return of 5.7 per cent after fees and the bad debt rate.

What is the timescale for a return on the investment?

Given that crowdfunding is aimed primarily at the very early stage rounds of funding, investors should expect to wait for at least five years until they see any return.

How quick can companies raise money?

Crowdfunding exercises are usually run over a period of weeks, but campaigns that capture people's attention can hit their target much more quickly. Kano, the UK-based start-up behind a cut-price computer that is designed to be as simple to build as Lego, raised more than $140,000 in crowdfunding in a matter of hours for its $99 kits.

There are few executives who, in their entire careers, have experienced troubles of the magnitude that Repsol's Antonio Brufau has faced in the past two years.

This week, with a surprise offer of compensation from Argentina for nationalising Repsol's YPF subsidiary last year, it would appear that one of his biggest headaches has finally disappeared.

Yet questions remain over the relationship between Mr Brufau and his biggest shareholders - Caixabank, the powerful Catalan lender, and Pemex, Mexico's ***state*** oil company, which had pushed hard for a deal to be struck on their terms - and what this dysfunctional relationship will mean for the Spanish oil company's long-term future.

At the start of last year, Repsol's Madrid board room was a happy one. The company had fended off an insurrection by two of its largest shareholders and was basking in the discovery of one of the world's largest shale gas formations by its Argentine YPF subsidiary, known as Vaca Muerta.

Only months later, armed guards arrived at YPF's headquarters in Buenos Aires to renationalise the company, forcing Repsol executives to flee the country, and sending its share price into free fall.

Mr Brufau had been attempting to reposition Repsol from a sluggish former ***state***-run operation recovering from a scandal linked to overstating oil reserves into a honed explorer focused on world-class oil discoveries, but was forced to tear up his plans.

To avoid a credit rating downgrade, Repsol, which gained a fifth of its 2011 net profits from YPF and almost half of its proven reserves, was forced to sell assets and rework its strategic plan.

To make matters worse for Mr Brufau, Caixabank and Pemex had again started agitating against him behind the scenes as he pressed ahead with suing Argentina in international courts for at least $10.5bn in compensation.

Mr Brufau, while open to striking a deal with Buenos Aires at the right price, had become persona non grata to Cristina Fernández, Argentina's populist president, who had refused to grant him an audience when he had flown out to try to persuade her against seizing YPF.

For Caixabank, Mr Brufau - a former employee of the lender - had become an obstacle to a deal.

Isidro Fainé, Caixabank chairman and at turns one of Mr Brufau's oldest friends and bitterest rivals, took matters into his own hands, travelling to Argentina to meet Ms Fernández in secret with the aim of striking a deal he could then present to the Repsol board.

When a deal brokered by Mr Fainé offering a $3.5bn stake in the seized assets and $1.5bn that would have to be reinvested in Argentina was finally tabled in June, it was voted down unanimously by the Repsol board as unacceptable.

This prompted Pemex, which stood to gain a stake in Vaca Muerta, to openly attack Mr Brufau for the size of his salary, saying he had mismanaged the company.

A new preliminary deal struck this week, based on $5bn of Argentine bonds and no forced reinvestment in the country, is undoubtedly an improved offer. For Mr Brufau's supporters, it was a vindication of his aggressive legal pursuit of an intransigent Argentina. His critics say his large shareholders forced his hand against his will.

It is not clear whether Mr Brufau has been weakened by recent developments. But Repsol's smaller investors feel that if Mr Brufau, Mr Fainé and Pemex are all going to have a future at the company, they must learn to be friends again.

Thai protesters have made themselves so at home in the Nonthaburi government office complex that it is hard to see what they are demonstrating against.

The activists have kitted out the vast facility northwest of central Bangkok that they occupied this week with tents, a mobile kitchen and even a concert stage for rallies. The police and other arms of the ***state*** they are meant to be confronting are absent.

It makes for a strange but not untypical skirmish in this battle for the soul of southeast Asia's second-largest economy, in which both sides have opted for passive resistance - and trying to ***lure*** the other into a false move.

"We will stay here until we achieve victory," said Sumalee Choothoad, a 35-year-old housewife as she perched in front of a green-domed tent pitched on the hard floor of the main building's cavernous interior on Friday. "We will not use violence."

Ms Sumalee is part of protests across Bangkok that have lasted nearly a week and are aimed at toppling the government. They started on Sunday with rallies that attracted as many as 150,000 and continued with the occupation of the finance ministry and other government offices. Demonstrators fan out each day in groups around the city and often favour short but ***high***-profile guerrilla actions, such as Friday's stroll on the lawn of the army's headquarters.

The mood may be light for now but it is underlaid by fears of a repeat of violence in 2010 that led to street battles in the capital and scores of deaths. Like other protests before and since, that crisis was an act in an ever darker drama dividing Thai society between supporters and opponents of Thaksin Shinawatra, a fugitive former prime minister - and older brother of Yingluck Shinawatra, the current premier.

The latest Bangkok stand-off has set up a tense weekend at the start of the peak tourist season, at a time when the economy is weakening. Protest leaders have rejected an offer of talks by Ms Yingluck, who triggered the demonstrations through a failed effort to introduce an amnesty law that critics say would have allowed Mr Thaksin and other senior politicians on both sides to escape accountability for alleged crimes.

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>"Now we have to fight," exclaimed Sakol Duangkaew, a 67-year-old former merchant seaman, who prowled the Nonthaburi precincts with a string of Buddhist religious icons round his neck and loud denunciations of what anti-government protesters call the "Thaksin regime".

"There are mistakes, and corruption - something like a cancer."

The latest protests are led by Suthep Thaugsuban, a former deputy prime minister. He is one of many longtime members of the opposition Democrats struggling to deal with the electoral dominance achieved by Mr Thaksin and his allies since they came to power in 2001 on a surge of votes from the rural poor.

Mr Suthep smiled broadly amid the crowds and cameras as he strode about the shopping area of the Nonthaburi development, leaving Akanat Promphan, his spokesman and stepson, to field the trickier questions.

Mr Akanat, a 27-year-old Oxford university graduate and former MP and adviser to Mr Suthep, whipped out a smartphone in an effort to scotch the allegation from some critics that the demonstrations are being driven by a Bangkok-based anti-Thaksin elite. The device displayed a map of Thailand split into colour-coded blocks, with the green and blue segments dotted around the country showing, according to Mr Akanat, that demonstrations are under way in about 30 of the 77 biggest population centres.

"It's a very organic, very natural movement," Mr Akanat said. "Tens of thousands of people are surrounding city halls in the south."

It is true that the opposition includes southern rubber farmers squeezed by falling world commodity prices, as well as Abhisit Vejjajiva, the Democrat leader and friend of Boris Johnson, the London mayor, from their Eton College days. Twelve turbulent years of Thai politics dominated by pro-Thaksin parties have stirred genuine anger about alleged government abuse of power - as the Democrats also faced during their period of hegemony with Mr Suthep now fighting murder charges over the shootings of protesters when he was in government in 2010.

At Nonthaburi, protesters claim something will give soon - perhaps before the natural pause offered by King Bhumibol Adulyadej's birthday on Thursday. But even the partisans are vague in their predictions of the outcome of a cat-and-mouse conflict still defined in good part by absences - first among them Mr Thaksin himself.

"We want to end this in the next two or three days by getting this government out," said Pantarak Kongnak, a 37-year-old construction business owner. "Then we will see from our leader what we plan to do next."

David Cameron once described his willingness to conduct policy U-turns as a "sign of strength"; at the end of a week of retreats, by his own definition the prime minister is looking stronger than ever.

To his critics, however, Mr Cameron's about-turns on payday loans and plain cigarette packaging and his attempt to counter Labour's promise of an energy price freeze have left him looking weak and ideologically adrift.

Yet his closest advisers say the week reflects a crude and pragmatic electoral plan whereby Mr Cameron intends to pick off every popular Labour policy "where they have a point" and embrace it. "We will take the meat and leave them with the gristle," said one senior Tory strategist.

So Labour's campaign for a cap on payday loans - previously rejected by the Treasury - was adopted and rebranded as a "cross-party idea". Previously "dead" plans for plain cigarette packaging backed by Labour were put back on the agenda.

Meanwhile, George Osborne will next week set out plans to cut energy bills through a shake-up of environmental levies, in an attempt to offset the success of opposition leader Ed Miliband's call for a 20-month price freeze after the next election.

"Barely a day goes by without the Tories trying to steal one of our policies," said Jon Ashworth, a member of the Labour campaign team. "It shows Ed Miliband is setting the agenda and David Cameron is dancing to our tune."

Mr Cameron's team insists that introducing policies that are popular with the voters - even if they are associated with Labour - is better than soldiering on with the prospect of parliamentary defeats. "All this talk about U-turns doesn't bother voters," said one aide.

This willingness to change course is also consistent with the edict of Lynton Crosby, the Tory election chief. Mr Crosby said "barnacles" - or policy distractions - should be "scraped off the boat", in favour of a focus on areas voters are most interested in.

As a lobbyist for a tobacco company, Mr Crosby had become a barnacle - as long as Labour could claim he was influencing policy on cigarette packaging. In the end, Mr Crosby went full-time for the Tory party at the start of November.

The Australian strategist wants the party to concentrate on just two simple messages: the economic recovery and the choice between Mr Cameron and Mr Miliband as the next prime minister.

Clearing away policy debris this week will allow the Tory leadership to focus on those two themes next week: Mr Cameron will be performing on the world stage at the head of a trade delegation to China and Mr Osborne will be presenting the most optimistic autumn statement for years.

Britain's economic rebound is also playing its part in recent policy shifts. With the recovery gaining momentum, the Conservative side of the coalition is more willing to adopt populist policies that might irritate business.

The decision to take on the payday lenders and tobacco companies this week was accompanied by confirmation that the coalition will introduce up to 50 weeks of shared parental leave in 2015, a Liberal Democrat-inspired policy described by the Institute of Directors as an administrative "nightmare".

These socially popular measures will reassure disgruntled Tory modernisers, who have seen the prime minister forced to make spending cuts and tack to the right as the recession hit.

One backbencher said the about-turns were designed to remind voters of the Conservatives' caring side. "We have done the heavy lifting on the economy and now it is important to remind voters that we . . . care about creating a fairer society."

Trying to get a fix on David Cameron's political position becomes harder by the day. In the past week he has toughened his stance on EU migrants, "rolled back" the green levies he once supported. At the same time he has promised a crackdown on payday lenders and tobacco companies and signed off new rights for fathers to take parental leave.

It is a pragmatic, political mish-mash that drives many Tory MPs to distraction but the prime minister's team claim to be following a template of electoral success: "It's what Tony Blair did very effectively," said one strategist. "You have to neutralise your opponents' attacks."

Looking back at predictions of industry trends and evaluating their worth in later months or years can be a painful exercise, but it can also be instructive in this era of structural change.

With the spotlight shining on equities, and sales flows into equity funds strengthening, I thought it might be interesting to revisit the somewhat relentless active/passive debate, in the light of a prediction I made in FTfm in January, which related to the expanded potential for low-cost passive funds when investors began to swing back to equities.

My precise words were: "Cost has become a key differentiator in the fund selection process and as investors migrate to equities, their allocations to core regional or global products are likely to be weighted towards ETFs [exchange traded funds] or low-cost index trackers."

The migration to core regional equity funds, particularly those investing in European stocks, is under way. It started in July and has been gaining momentum ever since. In the last quarter, European equity funds, including those investing in small and mid-sized stocks, generated net inflows of more than EUR15bn, compared with small redemptions of EUR500m in Q2 and EUR3bn or so of inflows in the equivalent period last year.

This latest quarterly volume data deliver two surprises, the first linked to sheer scale. The figure was not only substantial compared with recent periods, it was the ***best*** on record. Only in 2006 did sales volumes for European equity funds come close, reaching EUR13bn during the first quarter.

The second surprise brings us back to the active/passive issue and the fact that there was very little evidence in the data to suggest any increased support for passive products.

The same data set showed a mere 17 per cent of sales flows were garnered by passive funds, of which just 10 per cent was attributed to ETFs and the remainder to index funds - not what I, nor many other pundits expected.

This lack of passive interest also flies in the face of the increasingly vocal comments from fund selectors on their search for lower-cost funds, particularly in relation to beta, or market, exposure.

Of course, there is a distortion in the data that requires explanation; the inclusion of small and mid-cap vehicles will inevitably weight the results in favour of the active segment.

However, these sectors are modest in asset size and even if we focus on the core European equity sector that accounted for nearly EUR11bn of quarterly net inflows, the passive share was less than EUR2bn or 18 per cent of the total.

My reluctant conclusion is that the passive steamroller has yet to flatten demand for active funds or, to put it another way, the impact of fees on client portfolios has yet to be felt by European fund selectors.

Outside the UK, a ban on commissions is not yet in place (meaning distributors can receive retrocession payments from asset managers for selling their funds), although it is expected sooner or later by many distributors. So is it the case that their retrocession-fuelled decisions are driving investors into ***high***-cost active funds?

If true, the UK sales data should have a greater weighting in favour of passives. The comparison is a difficult one to make. UK investors have traditionally treated European equity funds as a marginal, rather than a core, portfolio play. Thus, in the most recent quarter, net inflows into these sectors were just EUR648m, and index trackers accounted for just 4 per cent of the total. Unfortunately, a measure of ETF activity in the UK is problematic because all ETFs are listed on multiple stock exchanges so it is not possible to know where their sales volumes are derived, nor how much is sourced from UK investors.

A better test of UK passive appetite is to look at the groups that are winning business across all equity sectors.

In such a ranking, BlackRock was the sales leader in the third quarter with Vanguard ranked a close third. For both groups net inflows were almost entirely devoted to index trackers (excluding ETFs for thereasons explained above).

Those groups that feature low-cost tracker offerings clearly have a following but the chase for alpha, or market-beating returns, was still much stronger. In the entire equity space, net sales were EUR440m but a mere EUR73m of this was invested in trackers. This suggests that fee scales are not going to be the big driver to passives that many might have expected. It could also mean, of course, that the criteria of fund choice has not changed much, ie it is more to do with the potential to deliver performance than a commission grab by distributors.

There is another issue - a matter of speculation rather than measurable fact: investors have been visibly absent from equity funds for so long that their immediate response to market opportunity is to pump up their investments with alpha products to make up for ground they have lost on deposit returns or elsewhere.

Possibly the more stable beta component of their portfolios is already in place so the action we are seeing now is in the satellite arena. The fact that small/mid-cap funds have had such a good recent run, seems to support this hypothesis.

Any judgment on the issue is probably precipitous but we should not ignore the potential effect of regulation on fees in driving greater demand for passives. It may yet come.

Diana Mackay is chief executive of MackayWilliams and publisher of Fund-Radar

For the past few years, as financial chaos tore through the US and a sovereign debt crisis crushed growth in Europe, the world's luxury goods groups have done the ***best*** business in at least a decade. The reason? China.

Between 2010 and last year, brands from the comparatively small and exclusive Hermès to the bling of Louis Vuitton have seen the mix of China's emerging wealth and its population's love of all things luxury fatten an entire industry - during the leanest times almost anyone can remember.

But the mighty Chinese engine is moderating - at least by its own ***high***-revving standards - and the new government is cracking down on exuberant personal spending and gift-giving by officials.

As a result, people in the EUR217bn-a-year luxury industry find themselves staring at an uncomfortable but inescapable question: is the era of double-digit growth over?

The answer has huge implications for brand strategy in the world's most populous country - as it does for luxury groups' approaches in other markets. It also has direct implications for the valuation premium that investors have placed on the sector compared with other companies.

"Just a few years ago, a slowdown in Chinese consumption would barely have produced a ripple in the luxury sector," says Luca Solca, a sector analyst at Exane BNP Paribas. "Today, it has the potential to produce a tidal wave."

For the past three years, revenue in the luxury sector has grown at an average of more than 11 per cent a year in euro terms, spurred on by Greater China, where revenue grew a heady 19 per cent in 2012, according to a study by Fondazione Altagamma and Bain & Company. But this year, growth in Greater China is expected to fall to 4 per cent, dragging down overall revenue growth to just 2 per cent.

The falling growth numbers in China caused by the ***slowing*** economy and the government's crackdown - or what Rémy Cointreau, the Paris-based spirits and liqueurs group, calls "anti-extravaganza measures" - have been so marked that the Americas this year surpassed Asia as the luxury sector's main growth engine.

One of the problems for the brands that produce the world's most expensive and desirable watches, jewellery, fashion and bags is that China finally matters. Greater China now accounts for a quarter of Louis Vuitton's revenue, 35 per cent of Cartier's, and a whopping 45 per cent in the case of Omega, according to Exane BNP Paribas.

Hermès, famous for its Birkin and Kelly bags, recently estimated that Chinese consumers could account for more than half of global sales in the coming years.

The effects of the ***slowing*** growth have started to hit home. Rémy Cointreau, maker of $3,000-a-bottle Louis XIII cognac, this week warned investors that operating profits would fall at least 20 per cent this year compared with 2012 as a result of what it described as "a sharp slowdown in China".

Revenue at the fashion-and-leather-goods unit of LVMH, the world's largest luxury goods group by sales and the parent of Louis Vuitton, suffered a small decline during the third quarter this year compared with the same period last year. The poorer than expected figures provoked a 6 per cent fall in the group's share price, wiping EUR4bn of its market capitalisation.

Frédéric Pflanz, Rémy Cointreau's new chief executive, is convinced that the ***slowing*** of growth in China is temporary. "It will come back," he says of demand. "And when it comes back we will be there." Mr Pflanz's business card is printed on both sides - in English and in Chinese.

Other groups point out that even if sales growth is deflating in China, Chinese tourists are still buying abroad. Altagamma and Bain estimated that while sales of luxury goods in Greater China are only about 13 per cent of the global total, the Chinese account for 29 per cent of all luxury customers. In 2005, by contrast, they accounted for less than 5 per cent.

However, luxury groups are now trading at an estimated 2014 price-to-earnings ratio of about 18.5 times, which is roughly 50 per cent ***higher*** than the Stoxx 600 index of European companies. That may be in line with historic valuations for the sector, but it also represents a huge increase since the collapse of Lehman Brothers, when luxury and Stoxx 600 p/e ratios were level pegging on seven times.

Léopold Authié, an analyst at Oddo Securities in Paris, asked in a recent report "whether the sector deserves to trade at the same valuation level as in the past since its growth profile is now less attractive".

Luxury companies are reacting to the slowdown in several ways.

One response has been to command ***higher*** prices by going upmarket. Gucci, which is owned by Paris-based Kering, is producing more bags made from exotic skins, such as python. LVMH's Louis Vuitton is also looking to establish ***higher*** price points for its products.

Others are heading in the opposite direction, highlighting the difficulty of formulating an effective brand strategy in the face of China's newfound disdain for luxury gifting. Shuijingfang, one of China's most exclusive brands of the spirit baijiu, the Communist party's favourite tipple, will now sell half its product range at Rmb500 a bottle or less - a price point at which the company previously sold nothing.

Analysts say luxury groups also have to start looking elsewhere for growth. Mr Luca of Exane BNP Paribas believes that one area is increasing the number of directly-operated stores. Another is ecommerce, where he argues that luxury goods groups have been ***slow*** to develop effective strategies.

For now, though, Mr Luca says that one thing is clear: "The low-hanging fruit has mostly gone."

Producer prices fell in France and Italy, while Spain registered a current account surplus of EUR3bn ($4.1bn) in September, putting the country on track for its first annual profit in decades.

Europe

UK

According to the GfK Consumer Confidence Index, UK consumers were less optimistic in November than in the previous month, with the index dropping one point to -12. Consumers' opinion about the country's general economic situation in the past 12 months has grown gloomier, while expectations for the next 12 months increased slightly. Consumers were less in the mood to make major purchases in November than in September.

France

Household consumption of goods decreased 0.2 per cent in October compared with the previous month, after having decreased by 0.1 per cent in September. The decline in October was influenced by a 4.9 per cent decrease in expenditure on energy products. However, household expenditure on durables rose 0.8 per cent month on month.

Industrial producer prices declined 0.2 per cent in October month on month, after increasing 0.3 per cent in September. Prices for refined petroleum dipped 0.8 per cent, after three months of rises. Following two months of stability, import prices of industrial products fell 0.3 per cent - affecting all products, except textiles and apparel, which went up 0.8 per cent due to the new winter collections.

Turkey

According to provisional data, foreign trade deficit increased by 31.8 per cent in October year on year, reaching $7,375m. While exports decreased 8.2 per cent to $12,105m, imports went up 3.7 per cent to $19,480m.

Sweden

GDP increased 0.3 per cent in the third quarter compared with the third quarter last year. While household consumption expenditure increased 2.1 per cent non-adjusted, production of goods dropped 2.1 per cent. Seasonally adjusted, GDP increased 0.1 per cent from September to October.

Exports of goods went down 2.9 per cent in volume in the third quarter year on year - mainly due to a decline of 23 per cent in exports of mineral fuels, with the exports of petroleum products going down 21 per cent. Meanwhile, imports of goods decreased 2.6 per cent year on year, with the dominating sector in imports - machinery and transport equipment - decreasing 0.5 per cent.

Italy

Producer price index decreased 1 per cent from September to October with respect to the previous month. In the domestic market, the index decreased 1.3 per cent and 0.2 per cent on the non-domestic market. Year on year, the index decreased 2.2 per cent, with both domestic and non domestic markets going down, by 2.7 per cent and 0.8 per cent, respectively.

In the third quarter, the number of unemployed people rose 14.6 per cent year on year, with the unemployment rate reaching 11.3 per cent of the population. The situation is particularly critical in the south and on the Italian islands, where 18.5 per cent of the population is unemployed.

Spain

Having emerged from a two-year recession in the third quarter, Spain registered a current account surplus of EUR3bn ($4.1bn) in September, putting the country on track for its first annual profits in decades. A year ago, Spain recorded a EUR15.7bn current account deficit. The year-on-year change was mostly due to a EUR15.5bn fall in the trade deficit, with Spaniards buying fewer imported goods and domestic companies searching for new markets abroad.

Asia

Thailand

Current account registered a surplus of $376m in October, after a deficit of $530m in September. Year on year, exports dropped 0.5 per cent year, much less than the 6.3 per cent decline registered in September. Imports went down 4.6 per cent year on year in October and 6.1 per cent in September.

Taiwan

In the third quarter, GDP expanded 1.66 per cent year on year. The country has cut its 2013 full-year growth forecast for the second time in three months, from 2.31 per cent to 1.74 per cent. In a statement, the government attributed the downward revision to uncertainties arising from the restructuring of the Chinese economy and the US Federal Reserve's exit from its quantitative easing programme. Thailand has also cut its growth forecast this week.

India

GDP grew 4.8 per cent from the second to the third quarter - the fourth successive quarter of economic expansion below 5 per cent. However, the growth was slightly ***higher*** than the 4.4 per cent registered in the second quarter, partly due to an expansion in farm output.

Americas

Canada

GDP expanded 0.7 per cent in the third quarter, following 0.4 per cent growth in the previous quarter. Both household final consumption expenditure and business gross fixed capital formation rose 0.6 per cent. After three quarters of growth, exports fell 0.5 per cent, with exports of goods and services declining 0.5 per cent and 0.4 per cent, respectively. Month on month, GDP grew for 0.3 per cent in September, a third consecutive monthly increase.

Africa

South Africa

In October, the trade deficit went up to 12.4bn ($1.2bn), after a 11.9bn deficit in September. The deficit was, though, smaller than economists expected due to a rebound in car exports following the end of a four-week strike by workers in the vehicle-manufacturing and auto-component industries.

Signs of an improvement in business sentiment are emerging in Egypt despite continuing political instability as the military-backed authorities continue their crackdown on Islamists ousted from power in July.

Apple fades in race to conquer TV

After a disastrous summer for the country's businesses after the coup that toppled Mohamed Morsi, the elected Islamist president, gloom still overshadows the economy but ***entrepreneurs*** in some sectors are now reporting a pick-up in activity and a gradual return of confidence.

Figures published earlier this month by HSBC tracking activity in the non-oil private sector showed a sharp increase in the purchasing managers' index, PMI, from 44.7 in September to 49.5 in October, its ***highest*** level in eleven months. Fifty marks the separation between contraction and expansion.

Billions of dollars in cash injections from Gulf countries, two stimulus packages announced by the government and hopes of a recovery in tourism have helped generate optimism.

However, analysts caution that the return of activity has not been accompanied by any significant new investment.

"I think sentiment for local businesses has improved a lot but it is difficult to separate their relief at Morsi's departure from cold business decisions," said Simon Kitchen, strategist EFG-Hermes, the Cairo-based regional investment bank. "They are relieved not just because Morsi was not doing a good job managing the economy, but they felt that their businesses were under threat from his Muslim Brotherhood group trying to nurture an alternative economic elite."

He said that foreign investors remained wary of instability in Egypt. In addition, the deferral of big economic reforms such as the reduction of costly fuel subsidies continued to hamper a strong return of interest in the country.

Foreign investors are adopting a "wait and see attitude," according to Mr Kitchen, though some international companies are now happier to send staff to Egypt after the US allowed the families of embassy employees to return having ordered their departure in the summer.

The lifting of a nightly curfew on Cairo and other provinces in mid November helped restore an image of normality in the capital and eased pressures on retailers and local companies transporting goods overnight.

Although many manufacturers have shut down or are struggling with debt, Ihab Derias, chairman of the Egyptian Furniture Export Council, said there has been "a complete turnround" in sentiment within his industry.

He argued that the expectations of a recovery in tourism has injected new momentum in hotel projects that had faltered over the past two years. Many European countries have now lifted or eased travel bans on Egypt, and officials say they expect tourist numbers to start climbing next year.

"Stalled projects are now moving," said Mr Derias. "We have new orders. Jobs which take six months to complete, we are being asked to finish in one month. Hotels which were reluctant to spend or were spending slowly now have target dates to open. For my company, the last quarter in 2013 will improve results for the whole year. We had a horrible third quarter."

During their year in power, Brotherhood officials spoke of promoting tourism, but according to Mr Derias, investors were put off by comments from within the larger Islamist movement calling for alternatives to sun and sea tourism, the biggest draw in Egypt.

"We are hoping 2014 will be better, and that at least hotels will break even instead of making losses like before," said Sameh Sobhi, general manager of the Semiramis InterContinental, one of the worst affected establishments because of its location near Tahrir Square, the iconic centre of protests since the 2011 revolution.

The recent turmoil in Egypt has severely damaged demand for office and retail space, but the housing market has been resilient as more Egyptians decided to put their savings in bricks and mortar rather than risk a further devaluation of the currency which lost 18 per cent of its value this year.

Ahmed Badrawi, chief executive of SODIC, a ***high***-end developer, said his company has had a record year in 2013, with some E£2.5 bn in sales, ***higher*** than their "***best*** year before the 2011 revolution."

"In the last two or three months we have seen a big surge," he said. "There is liquidity, there is appetite. Maybe the recent reduction in interest rates encouraged more people to buy."

Mr Badrawi cautioned, however, that the sector would be held back unless the government could stop the "settling of scores" with real estate companies. After the 2011 revolution contracts awarding land to developers came under legal scrutiny amid allegations of corruption by the government of Hosni Mubarak.

Car sales are also rising said Menatallah Sadek, corporate finance director of GB Auto, which assembles and distributes a range of passenger vehicles and industrial equipment. September and October were "phenomenal," she said.

"As management we had two theories," she said. "Either this is pent-up demand after the summer or the start of a recovery. Sentiment is much better. As long as there are no major surprises or disasters, we see early signs of a recovery for consumer demand."

After Scotland and England united in 1707, Scots took advantage of free trade with England and access to the British empire. Scotland was transformed from a poor peripheral ***state*** to one of the world's richest regions. Steam ***technology*** made it a global leader in building ships and locomotives. In the mid-19th century it was common to talk about North Britain.

But Scotland's performance was less impressive in the 20th century. The manufacturers of west central Scotland failed. Nationalism revived and, in the 1970s, its adherents adopted the unsentimental slogan "it's Scotland's oil!" - most of the UK's North Sea wealth was within what would be the territorial waters of an independent Scotland.

In the 1980s, the strident tones of Margaret Thatcher, then prime minister, grated on Scottish nerves. She swept to electoral victory in the UK as a whole, but eroded Conservative support in Scotland. When Labour won power in 1997, not a single Tory MP was elected north of the border. Labour quickly implemented an election pledge to establish a Scottish assembly.

In 2007, when Labour's popularity was at a low ebb, the Scottish National party became the largest party in the Edinburgh parliament. Alex Salmond, its charismatic leader, led an SNP administration more competent than the coalitions that had preceded it. So he was re-elected in 2011 with a mandate to hold a referendum in Scotland on independence - a poll that will be held in September 2014.

The speed with which independence for Scotland moved from a vague aspiration to a live issue wrongfooted politicians on all sides. The SNP had few specific ideas of what independence would imply. Mr Salmond and the SNP are consistently more popular than their signature policy, and have struggled to win over moderate voters to it. They have attempted to make the case that nothing would really change while everything would be better. The problematic nature of this position is seen in the 667-page blueprint for independence published this week.

It seeks to reassure that an independent Scotland would have the same queen, the same relationship with the EU and the same currency. Her Majesty would no doubt be amenable to remaining Queen of Scotland. Spain and Belgium - each contending with their own separatist movements - might be unhelpful, but Scottish accession to the EU could certainly be negotiated.

Where the document does promise change, it is long on pledges and short on how they would be paid for. Its headline-grabbing proposal - the extensive provision of free childcare - is one Scotland already has the power, if not the financial resources, to implement.

The biggest outstanding question is over which currency an independent Scotland would use. Monetary union with the rest of the UK is the most sensible course - and the one the Scottish government proposes. But in the context of the troubles of the eurozone, the Treasury and Bank of England might be expected to seek extensive control of both Scottish fiscal policy and banking supervision. Yet with Scotland representing only 8.5 per cent of the monetary union, it is hard to imagine them conceding many such rights back to Scotland. While Mr Salmond insists that there is no currency plan B, Scotland would have no negotiating power without one and the rational plan B - a Scottish pound pegged to sterling - is also the likely outcome.

Scotland has income per head broadly in line with the UK average, making it the richest part of the UK outside London and the southeast. Its industrial and employment structure differs little from that of the UK. Unlike Wales and Northern Ireland, Scotland is plainly viable as an independent country.

Scottish government revenue is currently principally derived from a block grant from the UK Treasury, which supports public expenditure per capita in Scotland at a level 10-12 per cent ***higher*** than the UK. An independent Scotland would lose this subsidy, but gain most UK oil income. These revenues are uncertain, enabling both sides of the debate to find support for conflicting claims about the fiscal consequences of independence. But a more important question is whether Scottish business would perform better in an independent country.

Scotland has suffered from a drain of corporate headquarters activity. The pull of London would remain, but an independent Scotland would have better opportunities to compete. Devolution since 1999 has been associated with a revival of self-confidence that might gain strength in an independent country. Even small growth effects would have economic consequences far larger than fiscal balances.

But the centre of political gravity in Scotland is far to the left of that of the UK and that is at the centre of the concerns - widely held but little expressed - of Scottish business over independence. It is possible to imagine a future for an independent Scotland characterised by reactionary municipal socialism - and the crony capitalism that brought Ireland and Iceland close to economic collapse.

The polls suggest independence will be defeated. A narrow margin leaves the issue alive - Quebec has done well by being always on the point of leaving Canada. A heavy loss would raise questions over the future of the SNP and its leadership. Yet arguments over independence that have caused strife elsewhere - from Ireland to Kosovo - have not been about small economic benefits. That this issue dominates discussion in Scotland demonstrates that this debate is not deeply serious. For the degree of economic independence a small European country can enjoy in a global marketplace is inevitably limited. Nothing that happens in Scotland in September 2014 will change that reality.

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The former owner of Whyte & Mackay said on Friday he would bid for the Scotch whisky brand if Diageo is obliged to sell it for competition reasons.

Vivian Imerman, a serial ***entrepreneur*** who now chairs Vasari, a London-based private equity firm, expressed interest on Friday in buying back Whyte & Mackay, which he used to run as chairman and chief executive before selling it to United Spirits in 2007.

Diageo said this week it had told the Office of Fair Trading it was prepared to dispose of most of Whyte & Mackay to allay competition concerns triggered by its acquisition of a stake in India's United Spirits a year ago.

"Whyte and Mackay would make an important addition to the portfolio of spirits and beer businesses in Africa and Asia where Mr Imerman has been concentrating his efforts through his company Vasari," the private equity firm said in a statement.

It said the brand would complement the firm's "strategy of acquiring and growing businesses in these regions to take advantage of rapid consumer growth".

Diageo, which is waiting for the OFT's response to its offer, declined to comment.

Trevor Stirling, analyst at Bernstein Research, estimated Whyte & Mackay could be worth between £450m and £650m. Apart from its own label, Whyte & Mackay produces Scotch for branded companies and supermarkets' own labels.

It owns four malt distilleries and one of the seven large grain distilleries in Scotland, based in Invergordon.

Demand for whisky has accelerated over the past five years, driven by emerging markets. The alcohol accounts for 4 per cent of the global spirits industry but 13 per cent of its value.

South African-born Mr Imerman and Robert Tchenguiz, the property investor, were estimated to have made £420m in profit from the sale of the Scotch business for £595m to United Spirits.

Mr Imerman, a former chief executive of Del Monte, the tinned fruit company, hit the UK headlines three years ago in a ***high***-profile divorce from Mr Tchenguiz's sister, Lisa.

'Market-sensitive data on economic growth, inflation and employment could be "drip-fed" into the public domain because the Office for National Statistics website regularly fails to publish them at 9.30am.'Financial Times, November 25

What's so bad about drip-feeding?

We drip-feed delicate flowers and patients in intensive care - not economic statistics.

I thought the UK economy was no longer a delicate flower?

Recent economic data have looked pretty good - if you could get hold of them. That may have been hard. The business investment data, due to be published on Wednesday at 9.30am, were two quarters out of date for most of the morning. By itself, not such a big thing but this sort of glitch seems to happen too often. It does seem not all is well with the ONS website.

Hence its proposal to drip-feed data?

Careful: it's not an ONS idea. It was put forward by the UK Statistics Authority, which oversees the ONS.

And why did it propose the idea?

Hard to say, especially since I couldn't work out how to download the UKSA report at first. (Its website is a little tricky to navigate, too.) But in a nutshell, some data are sensitive: they can move markets, and a trader with early access to the latest figures would have a big advantage. The ONS is finding it hard to publish these data on time - half the sensitive releases in the first quarter of 2013 were more than a minute late.

A minute late doesn't sound much. Have you tried to catch a train recently?

High-frequency traders are making investments to shave a millisecond or two off the time it takes to send and receive data. Usain Bolt's reaction time in the 2012 Olympic 100 metres final was 165 milliseconds; a minute is 60,000 milliseconds. In context, a minute is a long time.

Why is it hard to publish on time?

Leaving aside the question of what "on time" even means in a world of superfast algorithmic traders, the obvious way to publish promptly is to upload the data to the servers in advance, then reveal them at 9.30am. But the servers aren't secure enough for this, and it would apparently cost several million pounds to fix that. So the ONS begins manually uploading the most sensitive data four seconds before 9.30am and hopes it will go live at about the right time. That process is prone to delay, especially when the data sets are large and eagerly anticipated.

Hence the embarrassing idea of releasing the headlines first and the details later. But does it matter if the market-sensitive stuff goes on the site a few minutes late?

Perhaps not. Serious players probably don't care - they get the data through proprietary trading platforms such as Bloomberg and Reuters.

And the rest of us have to wait.

Yes. Which looks bad. But prompt publication of statistics on the ONS site is more of a matter of pride than of practical significance. Most ONS watchers are complaining about other things; Mark Carney, the Bank of England governor, for example.

ONS watchers are complaining about Carney?

No, Carney is complaining about the ONS. He said this week that he wasn't happy with the quality of its data on investment, didn't put much weight on it and was much more comfortable with the data quality back in his native Canada.

Ouch.

The other complaint is the usability of the website. Big beasts of economics journalism, such as Evan Davis of the BBC, and the FT's own Chris Giles, have complained that the site is hard to use, especially for casual users asking relatively simple questions.

Sounds like a shambles.

The ONS has my sympathy. It has a thankless task: nobody ever notices when things go right. The data sets were crafted and categorised for a pre-web age, and it is no simple matter to preserve the continuity and integrity of the data while making the site swift and simple to use. The problems with the website have been frankly acknowledged, and the ONS is trying to deal with them. But the ONS and UKSA are under severe budgetary pressure: they're heading towards a budget of £150m a year, or £2.50 per person. Not such a lot of money to spend on figuring out the ***state*** of the nation.

And UKSA's new idea is bound to embarrass the ONS even more.

Well, perhaps by accident, UKSA's idea has achieved something: it's been a loud, clear cry for help.

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Kingdom Holding, Saudi billionaire Prince Alwaleed bin Talal's investment vehicle, will lose another ***high***-profile executive, marking the second such departure in recent months.

Shadi Sadeek Sanbar, chief financial officer at Kingdom Holding, plans to leave the company at the end of the year, people familiar with the situation said. His departure comes after the June resignation of Ahmed Reda Halawani, the company's director of private equity.

Kingdom has been in the spotlight this year after Prince Alwaleed became embroiled in a public spat with Forbes magazine over a detailed investigation into his wealth.

The dispute with Forbes emerged ahead of an article which said the value of Prince Alwaleed's stake in Kingdom was much lower than its share price suggested. Kingdom responded with a firm rejection, and described allegations of share-price manipulation as "completely unsupported and biased."

Mr Sanbar's deputy, Mohammed Fahmy Soliman, may be promoted as part of the transition and Mr Sanbar will remain an adviser to the Prince, the people said. Mr Soliman is already more involved in meetings with bankers, they added.

Mr Sanbar became Kingdom's chief financial officer in 2007 and acted as a special adviser to Prince Alwaleed since 2005. People familiar with the company say that working there is demanding, with long hours to match the packed schedule of Prince Alwaleed.

A person familiar with Mr Sanbar said: "He wanted to leave for some time and I am not sure it will have a significant impact on the company." He added Mr Sanbar planned to retire and to spend more time with his family.

Kingdom Holding did not respond to a request for comment. Bloomberg first reported the move earlier on Friday.

An accounting professional, Mr Sanbar started his working life at the Los Angeles office of Arthur Andersen in the 1970s after studying in the US. He worked at the firm for decades, and stayed on after its integration with Ernst & Young.

From the way Pope Francis discusses sex and money in his first major papal pronouncement, you can tell a lot about his plans for Catholicism. He wants Church leaders to scold people less for their sexual arrangements. He thinks capitalism in its present, lightly regulated ***state*** is a "new tyranny".

The Pope's apostolic exhortation, Evangelii Gaudium ("Joy of the Gospel"), was released this week. He calls it a set of guidelines for a "new phase of evangelisation". The election in March of Francis, a charismatic priest serving the working class of Buenos Aires, was a milestone in this phase.

For all the Church's recent difficulties, its leaders believe it has vast potential for growth. They are right. The consumerism and materialism of the past decades have wrought economic marvels, but they have left a spiritual void - what Francis calls "the desolation and anguish born of a complacent yet covetous heart". And yet every time the Church clashes with hedonism, it loses. So, at one level, Francis is making his self-abnegating religion more marketable in this consumerist age. He has figured out that people would rather hear about the joys of salvation than the wages of sin. "An evangeliser," he writes, "must never look like someone who has just come back from a funeral."

This shift should not be mistaken for all-out modernisation. On fundamental questions - which include sex and money - the Pope is not revising the Church's beliefs, although he may change dramatically its attitude towards power.

The cornerstone of the Pope's thinking is that the Church is a community of sinners, subject to "self-absorption, complacency and selfishness, to say nothing of the concupiscence which preys upon us all". Francis is harder on hypocrites within the church than without. His tone is occasionally bilious and angry. His fellow clergymen are pretentious. They write lousy homilies. They are cliquish and snobby, which leaves people feeling unwelcome. "The Eucharist," he writes, "is not a prize for the perfect but a powerful medicine and nourishment for the weak."

Those who follow the Catholic Church primarily to root against its sexual teachings will find little to please them in this document, which lays out a number of non-negotiable points. No women priests, no reconsideration of abortion and (by implication) no gay marriage. The Pope is not at odds with the way previous popes understood these things. He is just a bit more savvy about how, on television and online, "certain issues which are part of the Church's moral teaching are taken out of the context which gives them their meaning".

On economic matters, the Pope's thinking is radical, albeit somewhat less radical than it looks. There are passages in Gaudium that sound like the manifesto of some mid-20th-century revolutionary front. ("Solidarity is a spontaneous reaction by those who recognise that the social function of property and the universal destination of goods are realities which come before private property.") But the Gospels have always been an uneasy match with free markets. At heart, the Pope is urging believers to pay more attention to the poor. Nothing could be more mainstream than that. The poor, and Christians' duty to them, are all over the Gospels. Latin American theology since the 1960s has stressed that theme tirelessly. "For the Church," Francis writes, "the option for the poor is primarily a theological category rather than a cultural, sociological, political or philosophical one."

These ideas will be harder for the Pope to apply in more prosperous parts of the world, where today there are, broadly speaking, two ways to help the poor. You can help them directly, by giving alms or tutoring or ladling soup. The help this affords is genuine, but it takes the heat off the wider system, centred in the west, which the Pope attacks as a tyranny. The other way to help is indirectly, through politics. In advanced European and North American democracies, however, "the poor" tend not to speak for themselves. They are represented by the more "compassionate" of parties of the relatively wealthy, whose "compassion" often consists of pillaging the other party's voters to compensate their own. The poor wind up an afterthought.

In less-developed political societies, such as, historically, those of Latin America, it is easier to tell rich from poor. And a lot more politically charged, too. Either the first New World Pope understands European and North American politics less well than his predecessors or he has revealed a historic shift in the Church's culture. The Vatican may still be in Rome, but the heart of the church is on other continents. After centuries of projecting its attentions outward, Catholic Europe now finds itself on the periphery. It is missionary territory.The writer is a senior editor at The Weekly Standard

Pearson has agreed to sell its Mergermarket unit to London private equity investor BC Partners in a transaction valuing the business intelligence and news service at £382m including debt.

The London-listed owner of the Financial Times intends to "redeploy the proceeds from the sale in its global education business", it said in a statement on Friday.

"The company has flourished under Pearson's ownership but it is not part of Pearson's strategy in global education," John Fallon, Pearson's chief executive, commented. "The transaction provides us with additional financial capacity to accelerate our push into digital learning, educational services and emerging markets."

The deal valued Mergermarket at more than 16 times last year's profit before tax of about £23m. Pearson bought Mergermarket seven years ago for £101m.

"The price is good" for Pearson, said Ian Whittaker, an analyst at Liberum, adding that the focus on new acquisitions would dampen some investors' hopes of share buybacks.

Pearson, the world's largest educational publisher by revenue, announced a £200m restructuring programme at the beginning of the year as it seeks to shift away from textbook sales and to digital ***technologies***, particularly in emerging markets.

In July, when Pearson announced the planned sale of Mergermarket, the group also entered a publishing joint venture with Germany's Bertelsmann. Mr Fallon, who took over as Pearson's chief executive this year, has said the pace of restructuring would accelerate into the first half of 2014.

"As we developed our strategy - identifying along the way an increasingly important role for the FT - it was in truth impossible to see how Mergermarket could contribute to Pearson's ambitions in global education," Mr Fallon said in a note to staff on Friday.

BC Partners, the buyout fund manager whose holdings include Phones4U and estate agent Foxtons, is buying Mergermarket after a competitive process that initially attracted interest from 50 companies and private equity groups, including Thomson Reuters, Bloomberg, Fitch Ratings, and Advance Publications, the parent company of Condé Nast. In the end, only BC Partners and New York-based Warburg Pincus remained in the bidding, according to a person involved in the sale process.

BC Partners, which manages a EUR6.5bn buyout fund, intends to help the company grow through "selective" acquisitions, to boost its subscription-based news services, which it described, as "essential to customers given the unique and specialist nature of the information and analysis they contain".

Mergermarket is a "market leader with an attractive business model, strong growth, and loyal customers", said Nikos Stathopoulos, the partner at BC who is leading the investment.

Mergermarket, started in 1999 and headed by Hamilton Matthews, operates brands including Mergermarket, Debtwire, DealReporter, Infinata, Wealthmonitor and Xtract Research in 65 countries.

Pearson's revenues grew 2 per cent year-on-year in the first nine months of this year on an underlying basis. It said it expected adjusted earnings per share for the full year to be broadly flat. In December 2011 it sold a 50 per cent stake in FTSE International, the stock index provider, for £450m.

HSBC advised BC Partners while JPMorgan Cazenove acted as financial adviser to Pearson.

Experian was the sharpest faller in a flat London market yesterday as growth worries led its joint house broker to advise selling.

The credit checking agency lost 2.8 per cent to £11.27 on a downgrade to "sell" from Goldman Sachs. Cyclical weakness in Brazil would weigh on Experian's Latin American business, which provides a fifth of group sales, the broker said.

Experian "remains a structural winner", Goldman analyst Charles Wilson wrote. But the threat of ***slower*** growth and slimmer returns meant the stock was at risk of derating from its current record-***high*** multiples, he argued.

Goldman also flagged up the impact from Experian's recent acquisitions, Passport Health and 41st Parameter , which cost $1.2bn.

It made strategic sense for Experian to expand into healthcare and fraud prevention but the benefit to returns would take several years to come through, said Goldman. It also forecast net debt to reach nearly $4bn next year, above management's target range, which made further acquisisions or buybacks unlikely for the next 12 months.

A quiet wider market left the FTSE 100 barely changed for a third straight day. The index was down 3.9 points at 6,650.57, giving it a 0.4 per cent decline for the week.

Barclays jumped 2.3 per cent to 271.7p after the The Bank of England's regulatory arm eased capital requirements to be implemented under EU rules.

Investec Securities called the news "strongly positive for Barclays relative to fearful market expectations", which had hardened earler in the month when Royal Bank of Scotland said it was targeting a core tier one capital ratio of at least 12 per cent by the end of 2016. However, the regulator's proposals matched Barclays' existing plan to hit a 10.5 per cent capital ratio in 2015.

RBS was down 1.7 per cent to 327.2p after the Financial Conduct Authority said it would launch an independent review into allegations that it profited by deliberately pushing businesses into default.

A positive management presentation from Aggreko to RBC's sales team helped the power generator hire specialist add 2 per cent to £16.05. Rupert Soames, Aggreko's chief executive, said trading was still ***slow*** but the group's capital cost advantage over competition remained in place, with a strong pipeline of orders waiting to convert.

Rentokil Initial added 3.2 per cent to 106.1p after Merrill Lynch turned positive.

Noting that Rentokil was trading at a discount of more than 20 per cent to peers, Merrill looked to new chief executive Andy Ransom for a refreshed strategy when he delivers full year results in March. "We expect the group to see a meaningful improvement in cashflow in 2014-15, as restructuring costs fall away and capital expenditure normalises," the broker said.

Thin trading squeezed Computacenter 4.2 per cent ***higher*** at 670p. Panmure Gordon had a "buy" rating on the IT services group ahead of Microsoft ending support for its Windows XP operating system in April.

Between a fifth and a third of the world's PCs still run XP, according to Panmure, which reckoned users "will need to migrate before being targeted by every piece of villainous malware in the universe".

"As the UK's largest XP upgrade shop Computacenter has a huge opportunity in this market," said Panmure. "A bit like Y2K of old, expect a late flurry closer to the finishing line."

Recycled talk that Topps Tiles might be a takeover target helped lift the retailer 9.3 per cent to 125.8p.

Traders were speculating about interest in Topps from private equity or from sector peer Carpetright, up 3.3 per cent to 602p, though it was noted that similar theories have done the rounds for nearly a decade. Topps shares jumped 38 per cent this week, having on Tuesday reported full-year results that revealed improved trading in October and November.

Speedy Hire dropped 21.7 per cent to 50.5p on news it was investigating accounting irregularities at its Middle East business, which led its chief executive Steve Corcoran to tender his resignation.

Probably the most inventive setter of UK cryptic crosswords of recent decades, John Graham baffled, tantalised and enthralled generations of solvers. He was the Church of England vicar known as Cinephile in the Financial Times for more than 30 years, alongside a 55-year association with The Guardian, where he took the name Araucaria.

Graham, who has died aged 92, long set most of this newspaper's Saturday prize crosswords. The one published today is his last for the FT and, with one repeated phrase carrying the same meaning throughout, is typical of his themed puzzles that extended the range of what solvers had come to expect.

He invented the alphabetical jigsaw crossword, where the clues are listed in order of the first letters of their answers and must be fitted into the grid wherever they will go. His ability to produce anagrams of long phrases was also remarkable.

There are countless instances where Graham clued phrases that would have defeated lesser compilers and caused astonishment to solvers over the breakfast table, on the train to work or when they later looked up the answers and found that though he may have been devious he was never unfair.

John Galbraith Graham was born in Oxford on February 16 1921 and educated at Manor House School, Horsham and St Edward's, Oxford. He became a classics scholar at King's College, Cambridge, in 1939 but war intervened and he joined the RAF, being made an air crew observer. He flew some 30 operations in Italy before he was shot down, bailed out, was rescued by Americans and was eventually mentioned in dispatches.

On his return to King's he took part in one of the theology tripos. He then studied at Ely Theological College before being ordained in 1948. Various church posts followed before he became priest in charge at St Michael's Beaconsfield in 1955. While there he won the Observer crossword compiling competition two years running and as a result was invited to compile for the Manchester Guardian, where his first puzzle appeared in 1958.

When Graham's marriage broke down in the 1970s, church rules at the time meant he had to leave the ministry. He was not allowed back until the death of his first wife some years later.

In 1982 John Perkin, crossword editor of The Guardian, wrote to the FT saying Graham wanted to extend his compiling by a few puzzles a month. He did not wish to set for The Times because he expected (probably rightly) that his clues would be "pasteurised". As Perkin's FT counterpart, I accepted gladly.

Araucaria meant monkey puzzle; for the FT he chose Cinephile as an anagram of Chile pine, another name for the same tree. Graham admitted to having been influenced (as are all compilers) by Ximenes - DS Macnutt, the legendary Observer compiler - but his clueing was never slavish to Ximenean linguistic strictures. As he put it, "any clue is legitimate which leads, by whatever route, to an answer which, 80 per cent of the time, can be known to be correct as soon as it appears to the mind".

The range was extraordinary. Over recent years his themes included sauces, counties, track-and-field events, Scottish writers, places of worship, composers, flowers, female whodunnit writers, cities of Italy spelt in either English or Italian, Bonnie Prince Charlie, poets, young animals, castles, Gilbert and Sullivan, Scottish towns, police and Tennessee Williams. His Christmas puzzles also roamed widely: one had an Islamic theme, which ruffled a few feathers among more traditionalist readers.

After the death 20 years ago of his second wife Margaret, Graham lived alone in Somersham near Huntingdon, composing his puzzles in an upstairs room while accepting that he would sometimes be called out of retirement to fill in at a parish that had a sudden vacancy.

He was made an MBE in 2005. A lunch in the hall of King's College to celebrate his 90th birthday in 2011 was attended by more than 150 friends, admirers and crossword solvers, including a number of younger compilers to whom he had acted as mentor. In the same year he was a guest on BBC Radio 4's Desert Island Discs .

When diagnosed at the end of 2012 with cancer of the oesophagus, Graham compiled a puzzle for One Across, a magazine he had founded, where answers included those words as well as others such as "palliative care". It was a moving and dignified way to say farewell.

The government of Spain has told Banco Santander, BBVA, Caixabank and other domestic lenders that they can reclassify EUR30bn worth of deferred tax assets as tax credits, in a move that is designed to bolster their regulatory capital ahead of next year's Europe-wide bank stress test.

The move, approved by the cabinet on Friday, follows months of intense lobbying by Spanish banking chiefs, who warned that the country's financial sector was being put at a disadvantage to other European lenders under the existing regime. Italy already gave its banks a similar helping hand in 2011.

DTAs arise when a bank makes losses or incurs provisions that it can later offset against its tax bill. Under the new Basel III regime, such assets can no longer be counted as regulatory capital - a change that could have forced weakly capitalised lenders to raise billions in additional funding. Tax credits, in contrast, will still count towards a bank's capital cushion under Basel III.

The move comes amid a flurry of action by Spanish banks to strengthen their balance sheets through disposals, listings and by raising fresh capital. BBVA last month sold down its stake in a Chinese lender to avoid the penalty that Basel III attaches to large financial holdings.

Santander and Banco Popular sold their property management arms this month, while Caixabank and the La Caixa foundation have issued shares and exchangeable bonds.

These measures will be dwarfed, however, by the financial impact of the government announcement made on Friday. Across the sector, Spanish banks have amassed more than EUR70bn in DTAs, of which about EUR50bn are linked to their operations in Spain itself - equivalent to 40 per cent of core equity tier one capital.

In the case of Bankia, the nationalised former savings bank, DTAs account for more than 80 per cent of tangible book value, according to research published this year by N+1, the investment bank. The corresponding figure for Santander, Spain's biggest bank by assets, was still about 40 per cent.

Shares in Spanish banks were broadly unchanged on Friday, suggesting investors had mostly priced in the widely anticipated move. Analysts also pointed out that the shift, though welcome, did little to bolster the banks' underlying financial strength.

"This is a change in the regulatory treatment of capital. There is no change to the real equity loss absorption capacity of the banks. This does not change a bank's real ability to withstand losses," said Daragh Quinn, a Madrid-based banking analyst for Nomura, the investment bank.

The main benefit of the Spanish move, analysts said, was that it was likely to reduce the regulatory pressure on banks such as Bankia and Sabadell, two lenders that have been particularly reliant on DTAs, to raise additional capital as a result of the Basel III change.

There are lots of weird things about global inequality, and about how the world's richest have got ever richer. For instance, there are people who will happily pay $1,500 for a warm goose-down jacket - from stores in steamy Miami and Taipei. That is part of the case for buying into the initial public offering of Moncler, an Italian skiwear maker with revenues of EUR490m last year. In terms of growth, Moncler hopes to apply its French Alps heritage to selling ***high***-tech city-wear to rich young things in Asia and North America.

For its Milan listing, Moncler is going for a glamorous valuation. The midpoint of the proposed EUR8.75 to EUR10.25 per share range would give it a market capitalisation of EUR2.4bn and put the shares on about 20 times likely 2014 earnings. More than that would be unwise. Private equity backers Carlyle, which owns a fifth of the company, and Eurazeo, with about half, would still have half of their stake left to sell after the IPO. They need a stable after-market. And the listing is supposed to be a marker of Moncler's status as a sophisticated brand - that is, not for the brash or nouveau riche.

The big risk for Moncler is that its pricey puffy coats become bling. Since leading a buyout in 2003, chairman and creative director Remo Ruffini has carefully guided the company towards measured growth. That has included building out Moncler's own stores. At about 70 per cent, gross margins in the next few years are likely to rival those of peers in the luxury sector, and its return on capital of 22 per cent looks decent enough.

Mr Ruffini is also sticking around: he will not be selling any of his 32 per cent stake in the offering. And against a bling future, Moncler is next targeting North America, which accounts for only a tenth of revenues, for expansion rather than somewhere riskier, such as China.

The shares of luxury goods companies are not cheap these days; Moncler would not be alone at 20 times earnings. But that sort of valuation would put it at a premium to Burberry. And compared with Burberry, which has gone far beyond its raincoats, Moncler still has to grow past those warm down jackets - including in hotter climes.

Email the Lex team in confidence at *lex@ft.com*

Language is a precious thing for writer and film-maker Atiq Rahimi, the bearer of Afghan and French passports: witness the process he followed to adapt his 2008 novel Syngué Sabour, translated into English as The Patience Stone, for the screen. After writing three novels in his native Dari - one of the two main languages of Afghanistan - Rahimi turned to French for this fourth book, which won France's top literature award, the Prix Goncourt.

He found that the story of an Afghan woman who cares for her much older husband after he is paralysed by a bullet required an earthy language anchored in reality, such as French, as opposed to a lyrical, unworldly one, such as Dari. As the wife confides her years of pent-up frustrations to her prone, speechless husband, her language is by turns loving, crude, determined and fearful. It is all French. So it's interesting that Rahimi decided to revert to Dari for the film version.

"When it was in novel form I started to translate The Patience Stone from French into Dari, but I just couldn't do it," says Rahimi, whose carefully studied appearance - goatee beard, wide-brimmed felt hat and flowing foulard - gives him a swashbuckling air. "Cinema was a way for me to translate my novel, not only into images but also into my mother tongue," he continues. "By using images I found myself able to sidestep my reserve regarding the language and what it can express. Even my actress, Golshifteh Farahani, who is incredibly open-minded, would say to me 'No, Atiq, I can't say something like that in Dari.' So I used images to say things that I couldn't say with dialogue."

We are sitting in Rahimi's work den in Montparnasse, a place of "solitude" to which he can escape. "As I'm an insomniac, it's very difficult for my family [his wife and two children] to see me still up at four or five in the morning ... "

He wrote much of the script for The Patience Stone here, aided by the veteran French screenwriter Jean-Claude Carrière who was Bunuel's writing partner for many years. "We work well together," he says, alternately munching from a bowl of sesame seeds and sipping on a Scotch. "I came up with the structure and he is terrific with the details. One of the things we discussed at length was how to transform the present into the past in the way Bergman does in Wild Strawberries. Jean-Claude was very adept at incorporating flashbacks without making them too obvious."

Initially Rahimi was worried that Farahani, an Iranian actress who starred in Asghar Farhadi's About Elly (2009) and appeared with Leonardo DiCaprio in Ridley Scott's Body of Lies (2008), might be wrong for the main part. "I didn't want her beauty to detract from the character's story," he says. "But when I'd done some tests and she told me about the things she'd experienced in Iran, I knew I'd found the right actress. Apparently at one time she used to walk around the streets of Tehran with her head shaved, disguised as a boy, so that she didn't have to cover up."

Rahimi's green eyes twinkle as he recounts Farahani's rebellious behaviour. In his captivating film, where myth and reality are constantly in flux, we discover the sadness of a culture in which women are reduced to a question of sexuality not personality. "In Afghan society there is the idea that if a woman's ankle or her hair is visible then it is enticing," he says, momentarily evincing the hint of a stutter now all but mastered. "You have to be sexually obsessed to think that way. So yes, indeed, a woman is reduced to her sexual function."

While many have compared The Patience Stone to the story of Scheherazade it was Gustave Flaubert's classic novel of a fallen woman who dared act out her fantasies, Madame Bovary, that Rahimi says was "a huge indirect influence". Rahimi has had a long love affair with French literature. Born in Kabul in 1962, he was educated at the elite Franco-Afghan Lycée Esteqlal, which still operates in the Afghan capital today. "My father was a germanophone, my brother, sister and mother were anglophones," he explains. "They wanted someone from the family to be a francophone." Later, as a university student in Kabul, Rahimi was censored by the dominant communist youth committee for giving a talk on Albert Camus, whom they accused of being a "bourgeois intellectual".

"For the communists who held power at the time, Camus, Sartre, even André Malraux were all held to have been in foreign pay," he says. "I didn't want to ally myself with the young communist movement, or the royalists who my father supported, I was perturbed by all that." Instead Rahimi sought asylum in France, where he arrived in 1985. After completing his film studies at the Sorbonne he joined a Paris-based production company for whom he directed several documentaries, including one about Afghanistan's exiled former monarch, Mohammed Zahir Shah.

In 2000 he published his first novel Earth and Ashes, a Beckettian tale of thwartedness about an old man and his grandchild set during the Soviet invasion of Afghanistan, which he also crafted into a compelling film in 2004. Two years before that, after the fall of the Taliban, he had ended 17 years of exile by returning to Kabul. There he employed a primitive box camera left behind by the British 150 years earlier to take photographs of his warwounded city: last year the Victoria and Albert Museum in London purchased six of these pictures for their permanent collection. And his latest novel A Curse on Dostoevsky, which revisits Crime and Punishment in an Afghan setting, has recently been translated into English.

His current projects include another screenplay with Carrière, which is set between Brussels and India, and a Paris exhibition of his photographs and calligraphy, some examples of which he proudly shows me. "When I've written a novel it's very hard for me to throw myself straight into another one," he says. "Yet I can't not work, I have to find something to do. I'm excited by each different art form for the way it can reveal a different dimension of a reality or a thought."

Throughout Rahimi's novels and films we encounter characters who have lost their power of speech or are somehow stymied in the way they express themselves or understand others. It is a theme that Rahimi believes will continue to absorb him. "For centuries there was a pressure, a form of dictatorship which emanated as much from religion as it did from tradition and politics," he says. "The goal was to forbid people from speaking up. Even today in Afghanistan our lips are sealed, our ears and our bodies are sealed. Our problem is not to be or not to be, but to say or not to say."

'The Patience Stone' is released in the UK on December 6

On a frosty, autumn weekend few places are more magical than the New Forest in Hampshire. The morning sunlight is turning the shaggy coats of the wild ponies the colour of horse chestnuts as they saunter across our path single-file. We make our way through the trees to the edge of the forest where our cottage is waiting, kick off our wellies at the front door and set about building a fire in the wood burner. It's almost lunchtime and I'm feeling peckish, so I pick up the phone. Within minutes, a golf buggy comes trundling up the drive laden with goodies.

Our woodland hideaway may be rustic, but we're certainly not roughing it. It's one of three new cottages recently opened within the grounds of Lime Wood, the five-star country house hotel run by Robin Hutson, co-founder of the Hotel du Vin chain. Hutson felt the hotel was not fully geared up to accommodate families, so he set about converting the former gatehouse and an old stable block of the Regency manor house into three self-contained cottages.

"Everyone loves the idea of a cabin in the woods," says Hutson. "We knew we could never match the nobility of the main house, so it was important to give the cottages a character of their own."

The designer's brief was to recreate the rough-hewn romance of a "woodsman's cottage" - albeit a woodsman with a subscription to Elle Decor magazine and a taste for the finer things in life. Chunky wooden bed frames are softened with the finest white bed linen, dark walls of unvarnished oak are offset with funky gilt mirrors, while the rustic-luxe theme reaches its apogee in the enormous upstairs bathroom with its walk-in shower for two, roll-top bath, Bamford organic unguents and "chill-out zone" with two leather armchairs and a pile of Vogue back issues.

So far, so stylish. But the all-important family-friendly details are in place too: my daughter is captivated by the cosy little bunk room (with a pile of Julia Donaldson books for bedtime reading), there's a stack of board games downstairs, and the tiny kitchenette is just right for heating up some pasta or baked beans. You probably wouldn't attempt to cook a Sunday roast in it, but then, why would you want to, with Angela Hartnett's new restaurant, Hartnett Holder & Co, at the top of the drive?

It's a winning combination: guests get the freedom, space and privacy of their own house, but with the facilities of a five-star hotel on tap, while hoteliers get to add to their bed count without having to carry out disruptive building work on the main hotel. It's no surprise to learn that Hutson is looking for other suitable spots within the grounds of Lime Wood to "sneak a couple more in", nor that the concept is being emulated at five-star hotels across the country, as they look to tap into the increasingly lucrative family market.

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At Barnsley House, a beautiful Cotswold stone manor house in Gloucestershire, expansion within the boundaries of the 17th-century listed building and gardens was out of the question and the room layout of the historic building was far from family-friendly. So when the opportunity to take over the lease of a historic cottage in the village came up, the owners jumped at the chance. Home Farm Cottage opened its doors in August. Unlike many of the cottages found within the grounds of hotels, this one is completely self-contained and fully equipped for self-catering. Guests can immerse themselves in village life, but with the added benefit of luxury fittings and furnishings on a par with those found in the hotel, and access to all of the facilities, including the spa and cinema, a short walk away.

"We live hectic lives and the reality is that we often don't get to spend a great deal of time with our kids. Luxury hotels were missing out on this market, but if you do it well, you can welcome children and it doesn't have to impact on the other guests," says Barnsley House general manager Michele Mella.

It's not a case of guests in the cottages in the grounds being the poor relations to those in the big house - quite the reverse in fact. Prices at these new deluxe cottages usually start well above the rate for a hotel room, so the onus is on hoteliers to come up with something pretty special.

At Cliveden House in Berkshire, for example, guests pay upwards of £1,800 a night to stay in the beautifully restored summer house that reopened earlier this year on the banks of the river Thames. Originally built as a tea room for the Countess of Orkney in 1813, Spring Cottage was a favourite haunt of Queen Victoria. In the 1960s it became infamous as the house where Stephen Ward and Christine Keeler were staying at the time of the Profumo scandal. It had fallen into dilapidation but has now been transformed into a secluded and exclusive retreat for up to six guests, with vaulted ceilings, stained glass windows, landscaped gardens and a private river launch. The hotel can provide a personal butler and guests get full use of the main house, the spa, gym and tennis centre, and free range of the gorgeous National Trust-owned grounds.

While the advantages for families are clear, it's not only parents who value the added privacy that a cottage brings. Dormy House, a hotel close to the Cotswolds village of Broadway, is about to complete a £10m, 10-month renovation, which includes the conversion of a stone outbuilding (once used as a cleaners' storeroom) into Rose Cottage. To be fair, it is on the far side of the car park from the main hotel, rather than lost in woodland on a huge estate, but it is still an ideal retreat for couples, blending pretty floral fabrics with some ***high***-tech gadgets and a luxurious bathroom.

Over the coming months, more country house hotels will be putting their stamp on the humble holiday cottage. The Celtic Manor Resort, near Newport in Wales, will launch 10 four-bedroom wooden lodges with saunas and whirlpool baths in February. And the Isle of Eriska Hotel, a Baronial pile on a private island on the west coast of Scotland, will celebrate its 40th anniversary next year with the opening of two standalone suites on the bluff above the main house. Built to a modern, sustainable design, the Applecrates (which take their name from the company that designs them) will have floor-to-ceiling windows and hot tubs with views of Loch Creran. The new properties join the existing Arnott's House, a three-bedroom beachside house, which the hotel is letting on an exclusive-use basis for the first time this winter.

Back in the New Forest, Robin Hutson is looking into the possibility of creating three new family cottages within the grounds of The Pig, the popular Hampshire bolt-hole credited with reinventing the country house hotel when it opened three years ago.

"It's not like 20 years ago when country house hotels didn't want children running around," says Hutson. "People don't necessarily want to dumb down their travel experience when they have children these days. They want to stay in nice places and be looked after. If we are going to accommodate them, then let's make sure we do it properly."

Nicola Iseard

Editor, Fall-Line magazine

One of my earliest childhood memories is learning to ski, aged four, dressed in a brand new, baby-blue, all-in-one ski suit from C&A - which, my mum reckons, cost about £15 - with a matching blue hat. Twenty-seven years later and I'm editor of Fall-Line, a skiing and snowboarding magazine, and still wearing matching skiwear: purple top, purple bottoms, purple and white hat. However, the cost of the Norrøna Lofoten jacket and pants I am currently wearing is just shy of £900. But then this is one of the most tech-packed get-ups I have ever worn.

The Norrøna brand dates back to 1929, when a Norwegian named Jørgen Jørgensen, a lover of the great outdoors, began to produce technologically advanced gear that could withstand Norway's often harsh climate and terrain. Fast forward 84 years, and the company, run by Jørgensen's great-grandson, still operates on similar principles.

My outfit, for example, is made with new Gore-Tex Pro fabric, which features a polytetrafluoroethylene multilayer membrane. I'm not sure what that means exactly, except that it makes the fabric up to 28 per cent more breathable than previous versions. This is an essential feature in freeride skiing-specific gear, such as the Lofoten jacket and trouser, which are designed for off-piste forays that usually involve some degree of hiking to virgin powder away from the pistes. (Incidentally, on expeditions like this, regardless of how breathable the fabric is, you are still likely to overheat.)

There wasn't much powder at Snowtrax, the artificial ski slope in Dorset where I tested the Lofoten on a balmy autumn day, so I was concerned about how hot I might feel with a merino mid-layer underneath. But during my climb to the peak I simply whipped open the jacket's underarm vents and the full-length vents on the pants, all of which have easy-pull, two-way zips, and didn't sweat a drop. Rain wouldn't be a problem either: the fabric has the water-repellent properties of cling film; water just beads up and rolls off.

Had I been in a situation where there was waist-deep powder, however, there was also no chance of it getting into my jacket: the removable powder skirt (material inside the jacket that clips together and sits snug to your body) has a good fit, plus a silicon grip to ***keep*** it in place, aided with poppers that secure it to the trousers.

In addition, the trousers have an integrated zip-off bib - not normally my favourite feature, as it often feels restrictive, but here it was so lightweight and elasticated that I forgot it was there after the first five minutes. Similarly, elasticated gaiters ensure no snow creeps in down below, while a helmet-compatible, wire-brimmed hood protects the head.

There are two decent-sized pockets on the jacket (one has a handy goggle-wipe cloth attached to the inside), which sit clear of backpack straps, as well as a small interior zip pocket for a phone or money. I would have liked an interior mesh pocket - useful for storing goggles on lifts - but the two thigh pockets on the trousers are roomy enough to serve this purpose. There is also a large back pocket and a small key card pocket at the waist.

When I posted a picture of myself wearing the outfit on Facebook, I got 23 "likes", with several people commenting on the purple and green colour combination. "There's no chance of losing you in a whiteout!" commented one friend. The jacket also comes in green, yellow and two different blues, while the trousers come in green, blue and black.

The fit of both jacket and trousers is relaxed, verging on loose. I tested a medium, which is what I normally wear in ski gear, but given that I could have fitted the photographer down one leg, I would probably buy the small (Scandinavian ski gear often comes up large). Regardless of that, the Velcro adjustable waist tabs ensured the trousers stayed in place.

For those of you who - like me - wore all-in-one ski suits back in the day and feel nostalgic now, the Lofoten range also includes a unisex Gore-Tex Pro one-piece suit. Just don't forget to pair it with a matching hat.

norrona.com

Tom Robbins

FT travel editor

In the 1980s, when ski racers were gods, their boldly-patterned skin suits and shiny, futuristic helmets inspired the exuberant clothes worn by many a downhill holiday maker. "Then in 2010, freeskiing finally broke through," says Reinhard Schitter, product director for clothing at Atomic, a leading skimaker. "Freeskiing" - skiing off-piste, heading away from the resorts and into the wilderness - "changed the entire world of skiing."

And the world of skiing wardrobes with it, as anyone shopping for new gear recently would have noticed. Out have gone the race pants and tight-waisted neon suits; "backcountry" skiing, walking your way uphill on your skis, rather than using lifts, to access fresh powder fields means getting hot, so you need layers to regulate heat. Padded, traditional ski jackets are useless for this. Instead, skiers need to dress more like mountaineers. The same trickle-down effect that brought the aesthetics of racing to the ordinary slopes has ushered in an era of new, highly technical and far more sober backcountry looks; the novelty hats and poles with inbuilt hip-flasks that once filled the pages of ski-shop catalogues have been replaced by shovels, avalanche probes and rucksacks.

Admittedly, I did feel like my £1,000-plus Arc'teryx outfit was taking it a bit far, especially since I tried it out not in the Alaskan backcountry but on the backstreets of Hemel Hempstead (where the indoor Snow Centre offers the closest pistes to London). Arc'teryx epitomises the modern look, and has impeccable freeskiing credentials. The company started out in 1991 in Vancouver, making climbing harnesses under the name Rock Solid, before diversifying into rucksacks and then, finally, skiwear. Rather than the racing slopes, its ideas came from climbing and camping, straight from the backcountry.

I tried a new version of the Sidewinder SV jacket, which is uninsulated, unpatterned, monochrome - and costs £500. The main difference to its previous incarnation is the lack of lining, cutting weight from 690g to 585g. Cynics might detect a whiff of emperor's new clothes here - you strip a product back to basics, then charge more. But great thought has gone into the tiniest details: the waist pockets are ***high*** enough not to be impeded by a climbing harness, while a lift-pass pocket on the left arm can be easily swiped on automated gates. The hood has a strengthened peak; the underarms, long ventilation zips. Warmth comes from wearing layers underneath, either synthetic or down.

I opted for a Cerium LT (£240), part of a new range of down jackets, the first that Arc'teryx has made. Down still offers more warmth for its weight than any other fabric but only if it's dry, so teaming it with a waterproof shell such as the Sidewinder works well, especially since the Cerium uses "down composite mapping" (swapping feathers for synthetic insulation in places prone to condensation or damp: cuffs, underarm and collar).

I was not entirely convinced by the "maize" colour of my Sabre trousers (£370) but, again, the quality and detail were clear: thigh vents to release heat, an inbuilt reflector to help during an avalanche rescue, and instep patches to prevent abrasion. The only problem is the width of the trouser leg (30cm): anyone embarking on serious backcountry skiing will need to wear crampons occasionally, and a leg this wide would get caught in the spikes and would soon be ripped to shreds.

Still, that's a detail unlikely to worry most users, who might aspire to the wilderness but are likely to spend more time on pistes and in après-ski bars. True, there might be something risible about wearing kit fit for the Himalayas on Hertfordshire's faux Alps but if you didn't know its origins, all you would know was the Arc'teryx kit is light, warm and comfortable. The fact is, apart from the price, there's no real downside in wearing backcountry gear for an ordinary ski trip. Plus, on the train back to London, the simple grey jacket blended in far better than a neon one-piece ever could.

arcteryx.com

In the seventh-floor playroom at Colombia's National Cancer Institute in Bogotá, María Ligia Suárez is huddled with her six-year-old daughter Leidy.

Leidy is being treated for medulloblastoma, a form of brain cancer, and has already undergone two rounds of surgery. Her partially paralysed body is strapped into a walking frame and she is half-watching Beauty and the Beast on a television. "I'm tired, Mummy," she tells her mother every now and again.

María and Leidy are taking a brief break from a very raw battle for survival. The doctors have been frank in their prognosis: one more setback and the little girl is unlikely to live much longer. María is determined to fight for her child, however, and so she has made the sort of "drop everything" decision that parents all over the world have to make when confronted by a child's serious illness.

The family's entire life has been reoriented around Leidy. María has given up her job selling tamales to relocate to the capital and is renting a room near the hospital. For the past few months Leidy's two-year-old sister has been living with her grandmother in the family's home town, five hours west of Bogotá. Leidy's father is out of the picture and does little to help, María says, and she is surviving on about $60 a week from family and friends. Half of this goes on rent.

Every visit to the hospital costs the equivalent of $6 on taxis there and back. "I cannot take her in a minibus," María explains, almost apologising for what she can't help but see as an extravagance.

Yet Leidy is "a source of strength for me and I for her," María insists. "It breaks my heart because I know she could die any minute." Leidy's fight is a heartbreakingly difficult one but María has good reason to maintain some hope.

In many ways, Colombia is an example of what can be done in the developing world to make sure that children with cancer get the ***best*** care available. Daunting problems remain but in recent years the future has brightened for children with cancer in Colombia, thanks in part to its work with World Child Cancer, the charity partner for this year's FT Seasonal Appeal.

The country's National Cancer Institute is now far better resourced than many other facilities in the developing world. It houses some of the ***best*** doctors in Colombia and the paediatric unit has 26 single rooms and a new intensive care unit. Over the past four years it has benefited from a special partnership with World Child Cancer that has seen medical staff receive valuable training and mentorship from some of the world's leading paediatric oncologists as part of a "twinning programme".

World Child Cancer was founded in 2007 by the late Geoff Thaxter and colleagues from his time at the UK's largest children's cancer charity, Clic Sargent. Thaxter, who lost his own daughter to cancer, wanted to help children with cancer in developing countries, where little treatment was available. This year WCC will help more than 3,000 children in nine countries and hopes to reach 10,000 children annually by 2018.

The Bogotá institute is a long way from catching up with the results seen in places such as the UK where eight in 10 children diagnosed with cancer survive, but the outside help is making a difference. Since WCC and the US-based Dana-Farber Cancer Institute began working with National Cancer Institute doctors in 2009, the survival rate for cases treated at the Bogotá facility has risen from less than 30 per cent to better than 65 per cent.

Much of the change is attributed to the work doctors have done to reduce the number of families who abandon treatment. Before the partnership with WCC, as many as a third of children diagnosed with cancer abandoned treatment - usually because of the financial strain cancer puts on impoverished families. This year the figure is expected to be close to 2 per cent.

The number of deaths attributed to the toxicity of chemotherapy has also been vastly reduced. Before 2009, when the WCC/Dana-Farber project began, 30 per cent of patients' deaths at the National Cancer Institute were attributed to toxicity, according to WCC figures. This year that is expected to be just 1 per cent.

"We are doing very good things here," says Dr Martha Piña, one of the institute's paediatric oncologists. There is, of course, more to be done, and Dr Piña and her peers bemoan the health system in Colombia which means parents of children with cancer often have to fight to get treatment.

A law passed in 2010 gives all children with cancer a right to integral treatment and requires Colombia's health insurance companies to pay costs without delays. Such political gestures can have a huge impact on the survival chances for children with cancer, says Dr Andreas Ullrich, lead medical officer for cancer control at the World Health Organisation. He cites the example of Peru, where the treatment of childhood cancer is free and the government has opened a facility in Lima offering first-world treatments such as bone marrow transplants. "They made it very clear that if you have political will, if you have political interest, in cancer it makes a lot of difference," Dr Ullrich says.

In Colombia, doctors and patients' parents complain that the law is often ignored. And, they say, it does little to address the economic burden of cancer on poor families. Child patients are often bounced around the system, receiving fractured care at a time when their lives depend on it.

"The twinning programme [with WCC] has worked but we have already reached a ceiling," Dr Piña says. "Now we have physicians 24 hours a day, we have a new [intensive care unit], we have an established programme to avoid [patients abandoning] treatment, education, good oncologists - a lot of things we did not have before. But the law limits us."

Alejandro Gutierrez, a professor at Harvard Medical School who has worked with the Colombian institute as part of the WCC/Dana-Farber partnership, voices frustration with the system. "The terrible part is that all of the elements are in place to cure the majority of children with cancer in Colombia," he says. "Yet the people who are profiting from the current health delivery system seem to have no misgivings about letting children die of curable diseases to maintain their profit margins."

The frustration is shared by the parents of patients at the Bogotá institute. They complain that they have been forced to fight their health insurers to secure proper care for their children. All have seen delays during potentially crucial treatment, and all tell stories of a healthcare system that has at some point let their children down. The National Cancer Institute is, however, a ray of hope in this dysfunctional system.

In June, when 11-year-old Donoban Steep López came down with flu, his parents thought nothing of it, largely because his mother and 15-year-old brother were ill at the same time. Donoban, however, didn't get better. "No paediatrician was able to tell us what he really had. They sent him home a couple of times, saying it was nothing but a viral flu" says Donoban's father, Alfonso López.

Eventually, a doctor ordered blood tests, which apparently confirmed the diagnosis but Donoban deteriorated and the mystery grew until a relative who is a nurse took the test results to a paediatrician at the private clinic where she works. "Two hours later, at 8pm, we got a call saying we needed to take Donoban urgently to the [emergency room]," Mariela Sierra, his mother, says. "And at 3am they told us he probably had leukaemia."

That was five months ago. Donoban has acute lymphocytic leukaemia, and the diagnosis brought significant change for the family, who live in one of Bogotá's poorest neighbourhoods. Alfonso, who used to earn some $300 a month as a waiter now earns half that, having cut down his working hours to take care of his son.

The battles with bureaucracy continue and the family occasionally has to wait up to two weeks for approval for medicines. But in the care of the National Cancer Institute, Donoban's fightback is well under way. In the institute's playroom, wearing the yellow jersey of Colombia's national team and playing a football game on an Xbox, Donoban is optimistic: "I feel well now [and] I want to go back home and play football."

Letter from the editor

This year the staff of the Financial Times have chosen to support World Child Cancer (WCC), a London-based charity that does impressive work in the developing world. It is estimated that in those countries about 100,000 children, who could be saved with comparatively simple treatments, die unnecessarily from cancer each year. WCC's mission is to improve the diagnosis, treatment and care for those children.

FT reporters have visited the charity's projects in Myanmar, Colombia, Ghana and Malawi. We will publish their work in the FT over the next six weeks, aiming to raise awareness and funds for the charity. Allison Ogden-Newton, chief executive of WCC, is hopeful that funds raised can transform the charity. "With the help of the Financial Times and its readers we will achieve a step change in overcoming the crisis in childhood cancer in the developing world."

Since 2005, the FT's seasonal appeals have raised more than £11m. WCC has already received pledges of matching funds from the UK government, Celgene, the Switzerland-based pharmaceuticals company, and the Vitol Foundation.

Justine Greening, secretary of ***state*** for international development, says the British government will match all UK donations to WCC. "We will help them improve diagnosis, treatment and care for thousands of children in Bangladesh and Ghana who would not otherwise get help. This means their families can focus on earning money and lifting themselves out of poverty for good," she says.

Samantha Pearce, general manager at Celgene, says that with the additional money "the work of this admirable charity will give hope to even more of the world's poorest children".

I encourage you to follow our reporting of World Child Cancer's activities at ft.com/appeal and to give generously to a life-changing cause.

Lionel Barber

Ha-Joon Chang's hands are chopping the air like helicopter blades. He whirrs them in a tight 360-degree spin or brings them down on the beat like a conductor. Sometimes he tightens his fists to emphasise frustration, or holds his hands flat - palms upwards, fingers splayed - as though weighing two bags of rice. At one point he stretches both arms over his head before bringing them together as if along an invisible monkey bar. What could be prompting so much passion? You guessed it. We are talking economics.

In Chang's hands, though, economics is not dry. The 50-year-old South Korean-born academic is the author of several bestselling books on the subject, leavened with wit and bearing provocative titles such as 23 Things They Don't Tell You About Capitalism (2010) and Bad Samaritans: The Guilty Secrets of Rich Nations and the Threat to Global Prosperity (2007). His 23 Things, which claims that free markets don't exist and that the washing machine changed society more than the internet, has sold 650,000 copies and been translated into 32 languages. All in all, he estimates, his books have been bought by more than 1.3m people - not bad for an economist who turned up in Cambridge 27 years ago barely able to speak English. Yet in an email sent before we meet, he spells out an irony. "I am one of the most successful economists, according to what markets tell us, though most of my professional colleagues, who are much keener to accept market outcomes than I am, would dismiss me as a crank or - the worst of all abuses among economists - a 'sociologist'."

Chang conducts his guerrilla war against economic orthodoxy from a cramped office at Cambridge university's Sidgwick site. For him, economics is a tool for changing the world, not for explaining why the world is as we find it.

He is a reader at Cambridge rather than a full professor, a relative sidelining he attributes to his heterodox approach. "I don't do maths," he says, blinking softly through his round, silver-rimmed spectacles. "A lot of economists think I'm not an economist."

He is, though, a star with a big following. In the wake of the global financial crisis, organisations such as the International Monetary Fund - which used to regard him as "an oddity" - regularly invite him to speak. Still, he reckons the economics profession overall remains resistant to fresh ideas, clinging to its status as a pseudoscience undergirded by unbreakable mathematical rules. "These things do not change overnight. The German physicist Max Planck once said science progresses one funeral at a time."

We have come to the Rice Boat, a Keralan restaurant specialising in south Indian cuisine. A 10-minute walk from Chang's office, it has become his unofficial canteen. The restaurant is large and, when we walk in, entirely empty, though Chang assures me it's heaving in the evenings. The walls are a garish yellow and hung with the sort of Indian paintings you might find at a car-boot sale. The bathroom lights don't work and I am handed a lightsaber-type wand to negotiate the darkness. The food, despite the unpromising surroundings, turns out to be excellent.

Chang recommends chicken, lamb and tuna cutlets as a starter followed by Kerala red fish curry and the restaurant's "famous" Kerala beef fry. "You can have beef here because they are Christians." We also choose appam, a spongy pancake made with fermented rice and coconut milk, some chapattis, and a portion of Kerala boiled rice, which Chang explains is fluffier than the Basmati variety. I wonder if he'd like to join me for a beer. "I don't drink at lunchtime because I'm very weak at alcohol like most Asians," he says apologetically, ordering a sweet lassi instead. I decide not to let down the journalistic profession and select a bottle of Konrad 11, a sharp and tangy Czech lager.

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Chang is dressed in academic casual, an open-neck shirt and slacks. His fringe is as jagged as a graph of booms and busts - absent Keynesian countercyclical spending - and his kindly face boyishly pudgy. As he marshals argument after argument against his intellectual enemies, I think of a teddy bear savaging a Rottweiler.

"The predominant view in the profession is that there's one particular way of doing economics. It's basically to set up some mathematical model, the more complicated the better," he says, advocating instead what he calls a multidisciplinary approach. "In a biology department, you have people doing all sorts of different things. So some do DNA analysis, others do anatomy, some people go and sit with gorillas in the forests of Burundi, and others do experiments with rats. But they are called biologists because biologists recognise that living organisms are complex things and you cannot understand them only at one level. So why can't economists become like that? Yes, you do need people crunching numbers, but you also need people going to factories and doing surveys, you need people watching political changes to see what's going on."

The cutlets arrive with a clatter. Chang squeezes on lemon juice and cuts them up so we can share. The chicken is sumptuously juicy.

Doesn't the success of Freakonomics (2005), written by Steven Levitt and Stephen Dubner, disprove his notion that economics is closed to new approaches? "They don't get huge brownie points for writing for the general public because a lot of economists have a very dim view of what the general public can understand," he says. "But the Freakonomics guys are accepted as part of the mainstream because they have this very particular view of human behaviour, which is 'rational choice'. That is: 'We are all selfish, we basically do our ***best*** to promote our self-interest and that choice is made in a rational way.' "

"I don't take that view," he says, cramming in a piece of lamb before he continues. "Rational thinking is an important aspect of human nature, but we have imagination, we have ambition, we have irrational fear, we are swayed by other people, we get indoctrinated and we get influenced by advertising," he says. "Even if we are actually rational, leaving it to the market may produce collectively irrational outcomes. So when a bubble develops it is rational for individuals to ***keep*** inflating the bubble, thinking that they can pull out at the last minute and make a lot of money. But collectively speaking . . . " His hands create a bomb blast above the cutlets.

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The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

>He takes a slurp of lassi and smiles beatifically. I ask how the economics profession has been hijacked by a single methodology. "Hijacked, yes. I think that's right," he says, evidently pleased with my choice of word. "Unfortunately, a lot of economists wanted to make their subject a science. So the more what you do resembles physics or chemistry the more credible you become. The economics profession is like the Catholic clergy. In the old days, they refused to translate the Bible, so unless you knew Latin you couldn't read it. Today, unless you are good at maths and statistics, you cannot penetrate the economic literature."

This, he says, leaves economic decision-making to a ***high*** priesthood of technocrats and central bankers. "Fat chance that a union official in Bradford will be able to beat the academic spouting rational choice theory," he says. This - and here is his punchline - suits those with money and power. "If you have a professor from MIT or Oxford saying that things are as they are because they have to be, then as a person benefiting from the status quo you can't be happier."

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As our main course arrives the table begins to fill with a fantastic array of curries and breads. I'm famished and eating faster than Chang. The beef, full of competing flavours, is particularly terrific. "A lot of social democrats bought into that fairy tale [of market perfection]," he says. "That's why I am writing these popular books, because people have been told a very particular story and they need some antidote to it. I'm not saying I have some kind of monopoly over truth, but at least you need to hear a different side of the story."

We turn to his childhood, when he witnessed first-hand how economic policies can transform a country's fortunes. He was born in Seoul in 1963. His father was a finance ministry official and his mother a teacher. Two years before Chang was born, Korea's gross domestic product per capita was $82 compared with $179 in Ghana. He remembers how red the soil was in Seoul, now one of the world's most neon-filled cities, because all the trees had been cut down for firewood. "I wasn't deprived," says Chang, who grew up in a house with two maids and the neighbourhood's first television set. "But poverty was everywhere."

Park Chung-hee had recently seized power in a military coup. Korea established a steel industry, a seemingly eccentric choice for a country without iron ore (it had to import it from Australia and Canada) or coking coal. Yet steel became a foundation of Korea's industrial success. Chang believes that Park, though a dictator, made some smart choices and that the only countries to have prospered are those that ignored the siren call of free markets and comparative advantage - the idea that you stick to growing bananas if you're a tropical island - and planned their escape from poverty.

Chang took those ideas with him to Cambridge in 1986, where he studied first for a masters and then a PhD on industrial policy. His first impression was how quiet England was. "In those days, everything closed at five o'clock and nothing was open on Sunday. Coming from Asia, it was like walking into a ghost town." But the UK also had its charms: "I used to joke that I came to England - not to the US where most Koreans go - because I like Arthur Conan Doyle and Agatha Christie."

His studies consolidated his thinking. Countries, he argued, needed to develop their capabilities, just as a child's potential is stretched in school. In 1955, for example, when General Motors alone was producing 3.5m cars, Japan had 11 or 12 manufacturers collectively producing 70,000. "From the short-term point of view, it was madness for Japan to try to develop an auto industry," he says. "Except that the Japanese realised, 'We will get nowhere if we stick to what we are already good at, like silk.' "

But can't the protection of infant industries go terribly wrong? In countries such as Argentina and India, closed economies led to lazy monopolies selling shoddy goods in the name of self-sufficiency. Chang agrees. Only those ***states*** that forced their ***entrepreneurs*** to compete internationally succeeded, he says. "In Bad Samaritans, I have this chapter called 'My Six-Year Old Son Should Get a Job'. I'm trying to explain that the reason I don't send this little guy to the labour market is because I believe that it pays, in the long run, for him to have an education rather than shining shoes and selling chewing gum. Protection is given with a view to eventually pushing your companies into the world market in the same way that you send your kids to school but [you] don't subsidise them until they're 45."

He tears the appam and hands me a piece. It's airy and faintly sweet and wonderful for mopping up the curry. "We have been led to believe that the market is some kind of natural phenomenon. But in the end, the market is a political construct." The regulations around us - for instance those banning child labour or private money-printing - are invisible, he says. He cites the example of how Park's government engineered a 30 per cent jump in wages through a massive shrinkage of the labour force. It was achieved, he explains, by making education compulsory up to the age of 12, removing at a stroke millions of children from the labour pool. Policy changed the market reality.

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As Chang turns to the fish curry, I ask about his family. He met his Korean wife in 1992 and married her the following year. "As a good Korean I am very impatient," he grins. He has two children. His son, now 13, is still being sheltered at school from a career in shoe shining. His daughter is reading history at Oxford university. So she's broken out of the economics trap, I say. "Good for her," he replies, raising his lassi.

We order a double espresso for Chang and black filter coffee for me. We've been talking for nearly two hours but he still has bags of energy and I still have bags of questions. What's all this about the washing machine and the internet?

"I was not trying to dismiss the importance of the internet revolution but I think its importance has been exaggerated partly because people who write about these things are usually middle-aged men who have never used a washing machine," he replies. "It's human nature to think that the changes you are living through are the most momentous, but you need to put these things into perspective. I brought up the washing machine to highlight the fact that even the humblest thing can have huge consequences. The washing machine, piped gas, running water and all these mundane household ***technologies*** enabled women to enter the labour market, which then meant that they had fewer children, had them later, invested more in each of them, especially female children. That changed their bargaining positions within the household and in wider society, giving women votes and endless changes. It has transformed the way we live."

Finally, I ask whether he thinks economics is a moral pursuit. Chang's starting point seems to be that economic policies can make the world better. "Moral dilemmas are unavoidable," he says as I signal for the bill. "Don't forget that, at least in this country, economics used to be a branch of moral philosophy. Adam Smith, Karl Marx, Joseph Schumpeter - they're not just writing about economics, but about politics and culture and society and morality." He drains his cup. "How has this wonderful subject we call economics become so narrow-minded? I find that really sad."

David Pilling is the FT's Asia editor

Rice Boat

37 Newnham Road, Cambridge

Sweet lassi £2.50

Konrad 11 beer £4.00

Cutlet platter £13.25

Kerala red fish curry £10.00

Kerala beef fry £10.00

Boiled rice £2.50

Appam £2.50

Chapatti £2.25

Double espresso £3.00

Coffee £2.50

Total (incl service) £58.75

At the Old Black Lion in Northampton, mild is on tap and revolution is in the air. The pub is the weekly meeting venue for the local branch of Left Unity, a new political party aiming to fuse Britain's fissiparous socialists. Ahead of its founding conference in London on Saturday, I went to the shoemaking town to see what, according to Salman Shaheen, a journalist and member of Left Unity's national committee, should represent a typical local party meeting. "It's [in] the back room of a pub in a deprived area," he added.

In fact, the Unite union has booked the back room, so we meet in the main bar area. Five regulars ***keep*** the bartender company. A television plays The Paul O'Grady Show on mute while speakers blare a Trevor Nelson Spotify mix. Bianca Todd, the local Left Unity co-ordinator, tries to make herself heard over the beats, explaining how this party will be different to the rest.

"I think people are fed up with protesting," she tells me. Todd, a sparky, hoodie-wearing 36-year-old who runs a charity for ex-offenders, favours practical action over beardy chats about the Russian Revolution. She has a sense of fun. In a stunt to publicise the founding of the Northampton branch, she distributed "guerrilla gardening" kits complete with seeds and bulbs to nearby residents. "We can't spend our time talking about Marx, Trotsky and Lenin."

Yet, within a few minutes of the meeting starting, a familiar division emerges. There are 10 people around the table, including Todd, her partner, her mother and her father (her grandfather was general secretary of the Transport and General Workers' Union). The latter has a problem with David Smith, another attendee, who is accused of being insufficiently working class (he went to university.) The mood quickly darkens. If Northampton is indicative of Left Unity's future then, according to one attendee, "it could dissolve on the basis of what happened at Kronstadt".

Since its launch in March by the film-maker Ken Loach and other activists, Left Unity has self-consciously presented itself as "the Ukip of the left". Shaheen says this is only a "metaphor" that expresses the need for "a gravitational pull" on Labour from the left, in a similar sense to how Nigel Farage's United Kingdom Independence party moves the Tories to the right.

The parallel is misguided, according to Robert Ford, a professor of politics at Manchester university. "It took Ukip the ***best*** part of 15 years and a very charismatic leader to get their heads off the canvas," he says. "They have learnt how to campaign." Ford predicts Ukip will finish first in next year's European elections before winning seats in Westminster.

The idea of Left Unity as socialist Faragism also misses how the party "has no grounding in popular sentiment", argues Nick Pearce, director of IPPR, a centre-left think-tank. In part this is because the far left and Ukip are not speaking to different audiences. Ford says: "Ukip is the most working-class party in Britain." Its typical supporter is not the southern stockbroker of caricature but the "sixtysomething voter from the Midlands and the north of England who left school without qualifications".

John Allen, a member of the Northampton branch of Ukip, is a case in point. Allen, a third-generation military veteran, has been out of work for five years. The 63-year-old puts this down to a mix of age discrimination and immigration. "If we had control over our borders, then the jobs issue would be dead in the water," he says. "I'm looking at Ukip on the same basis as the wartime campaign my father fought."

For Ukip voters, immigration is a more important issue than the EU. They are often uncomfortable with recent cultural changes in modern Britain, says Anthony Painter, author of the recent book Left Without a Future. Ford believes "the voters Ukip are winning are the voters that are losing in the recession".

This reflects a deeper problem, according to American academic Francis Fukuyama, who in early 2012 wrote of "the absent left". Since the financial crisis, he argued, rightwing populist politicians who tapped into anxieties about globalisation and cultural change have flourished in Europe and the US, while their opponents struggled.

Many on the left agree with Fukuyama's premise. Owen Jones, author of Chavs: the Demonisation of the Working Class, and at 29 perhaps the most influential of a new generation of leftwing commentators, tells me he is fond of Milton Friedman's insight about how, when crisis occurs, "the actions that are taken depend on the ideas that are lying around". And in 2008, he says, there was "a vacuum on the left".

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Nearly two years on from Fukuyama's article, has anything changed? If one sees the left as synonymous with parties such as Left Unity, then the answer seems to be No. As Fukuyama wrote dismissively: "The left has not been able to make a plausible case for an agenda other than a return to an unaffordable form of old-fashioned social democracy."

But if one thinks of the left as a broader movement, defined by a belief in collective action to bring about greater equality (other definitions are available from good second hand bookshops), then there are signs of life, including at the top of the Labour party.

Contemporary feminism, for example, is vibrant. Young writers such as Laurie Penny, Holly Baxter, Rhiannon Lucy Cosslett and Helen Lewis are evidence that, in the latter's words, "there's a critical mass of women who just won't shut up about the things they care about". Campaigns such as End Violence Against Women and No More Page Three are gaining prominence. So too Everyday Sexism, a project highlighting the pervasiveness of gender discrimination, which this year forced Facebook to drop some target adverts that featured next to offensive posts.

Laura Bates, 27, who founded Everyday Sexism in April 2012, says this is an "incredibly exciting moment for feminism in the UK". Nevertheless, she says, "I don't feel like it is currently a deeply politicised movement - the idea of being on the left doesn't feel like it is particularly at the heart of this resurgence." Bates describes the movement as "very pragmatic and down-to-earth". Though, as Melissa Benn points out in the IPPR journal Juncture, "What's most striking about this new wave . . . is how predominantly cultural the concerns are."

There is a pragmatic and fragmented quality to the economic pressure groups that have arisen on the left. UK Uncut, founded in 2010, stages acts of civil disobedience to highlight tax avoidance. Campaigners against cuts to the legal aid budget or the so-called "bedroom tax" focus on single issues. Community organisers, such as Citizens UK, have put the living wage ***higher*** up the agenda of all mainstream political parties. Groups such as Occupy deliberately emphasise means over ends.

The most recent attempt to bring these disparate groups into a movement against the government's spending cuts is the People's Assembly, which launched this year and is part-funded by big trade unions. At a recent meeting of activists in Manchester, Penny Hicks, local organiser, argues: "Those groups that aren't willing to work together are being marginalised." She says it is too soon to tell whether it will be a mass movement. Jones, one of the Assembly's founders, is more optimistic, citing hundreds at recent meetings. However, he adds: "If it's seen as a party, then it disintegrates. People won't have anything to do with it."

Despite Jones's optimism, the People's Assembly is for now at least a modest smorgasbord of curious newcomers and stalwart activists. However, the young commentator has been corresponding with the comedian Russell Brand, who in a recent essay for the New Statesman called for a "total revolution of consciousness and our entire social, political and economic system". An accompanying BBC Newsnight interview has been viewed more than 9m times on YouTube.

The comedian's intervention seems to have captured what Prof Ford describes as "a feeling of voicelessness and a feeling of powerlessness" that has grown since the financial crisis. Scandals in parliament, the media and the police have reduced trust in established institutions, according to the 2013 British Social Attitudes Survey. The study found that 75 per cent of Britons agree with the statement that "the political system is not working for them".

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Ford believes this "cross-party, cross-ideological loss of faith in the way of doing things" also presents an opportunity. There is, he says, "a groundswell for something politically new", which offers succour to these Britons' economic insecurities and cultural attitudes.

The pledge by Ed Miliband at this year's Labour conference to freeze energy prices was, his supporters argue, an answer to those who accuse the left of having had no intellectual response to the crisis - and to the accusation that politics does not matter to people's lives.

Lord Stewart Wood, an adviser to the opposition leader, says: "You have to ask: what kind of centre-left faced the crisis in 2008? It was a left that felt there were certain fundamentals about the market economy that you couldn't question."

Five years on, he says, "the rules of the game have changed". Real incomes have been stagnant or worse since 2003 and the Labour party is making a political bet on its hypothesis that even as macroeconomic growth returns, microeconomic fortunes will remain detached and, therefore, voters will be open to a less deferential approach to markets. Jones agrees, saying "the public consciousness has shifted".

Critics of what Miliband calls "responsible capitalism" say his philosophy is no more than a return to the old-fashioned socialism that Fukuyama disdains, and which belongs in the Old Black Lion pub. Miliband's supporters dispute this. "The policy has more in common with early 20th-century progressivism than postwar statism," one shadow cabinet minister tells me.

Miliband will also need a cultural message to complement his economic one, Anthony Painter says. "Traditionally Labour has spoken to the economically anxious; Conservatives to the culturally anxious. Now it is not so clear-cut." Ukip's success shows that populist sentiment does not obey a simple left-right spectrum. Yet Miliband's bet that the public will give his arguments a listen is a sign that the left is finding a voice again. It has yet to prove it is popular but it is no longer absent.

John McDermott is an FT commentator

So many must cast a wistful - if possibly slightly grateful - eye when they read yet another Christmas recipe featuring turkeys to feed 16, trayfuls of roast potatoes and Brussels sprouts and industrial quantities of cranberry sauce. Many of us - and I do not exclude the extended Leigh family from this - will be feeding the masses as usual this year but there are probably almost as many who will be celebrating (and I choose the word with care) Christmas with a much smaller number of people. There are couples or threes or fours who will be very content to have exchanged the hurly-burly of the family refectory for the quieter pleasures of the little dining table.

Talk of geese and turkeys will not resonate with such folk. A pheasant might make for a suitably modest little Christmas, a truffled chicken would be a fine extravagance but I think the simple joy of a roast duck - not modishly rare but gently cooked through - is just as appropriate. With a rich stuffing, some robust Alsace red cabbage and a tart apple sauce this should be a better balanced but no less sybaritic feast.

Whatever one cooks and eats this Christmas, I cannot help thinking that the actual cooking process should be one of the chief pleasures. I am reminded of Bill Baker, a much-missed wine merchant of heroic proportions and generosity, who always did the cooking on Christmas day. Straight after breakfast he would nobly dispatch his cherished family to attend the morning ceremony at Wells Cathedral and, on their departure, open a bottle of Louis Roederer Cristal champagne. He generally reckoned to have finished the bottle by the time he had roasted the potatoes and before his family returned - whereupon he would open a more modest bottle and toast everyone's health. Charity begins at home.

Rowley Leigh's Christmas recipes for two

To start

Salmon and brown shrimp salad, dill and horseradish dressing

Purists may wish to use their own freshly grated horseradish: personally, I think a dash of vodka works wonders with "shop" horseradish sauce.

1 good Cos (Romaine) lettuce

2 tsp horseradish sauce

1 dsp vodka (facultatif, or optional, as the French would say)

1 dsp lemon juice

1 dsp cream

2 tbs sunflower oil

1 dsp coarsely chopped dill

150g smoked salmon

50g brown shrimps

- Remove outer leaves of the lettuce and cut into ribbons. Wash the salad in cold water and spin dry. Make the dressing by whisking together the horseradish sauce, the vodka and the lemon juice with a generous pinch of salt and some milled white pepper. Whisk in the cream and then the oil in a ***slow*** stream so that it emulsifies. Finish with the chopped dill and taste for seasoning.

- Simply arrange the lettuce on two plates and pour the dressing over. Arrange the smoked salmon in strips on top of the salad and then sprinkle the brown shrimps on top. Decorate with a few sprigs of dill and serve.

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The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

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To follow

Roast duck, prune and apple stuf ng

The legs of the duck should still be slightly pink (and cut into thinnish slices), while the breast should be pretty much cooked through but not remotely dry. A very generous portion for two - but could stretch to four with the gammon from the cabbage side dish.

1 Aylesbury style duck, approximately 2kg in weight, with giblets, and with the neck flab intact

200g good pork sausage or sausage meat

1 lemon

12 stoned soft prunes

½ Cox's apple

Nutmeg

6 clove heads

6 sage leaves

2 Bramley apples

Piece of cinnamon

6 cloves

1 large shallot

1 dsp sugar

2 tbs sherry vinegar

1 glass red wine

150ml chicken stock (or a cube and water)

- Chop the wings off the duck at the first joint, remove the giblets and carefully lift up the neck flap. Scrape the wishbone clean and then remove it by detaching it at the bottom and twisting it free (this helps greatly with the carving). Chop the neck, gizzard and wings into smaller pieces and distribute them around the perimeter of a large roasting pan. Preheat the oven to 200C.

- Remove the sausage meat from its casings and place in a bowl. Finely grate the zest of the lemon over the meat. Chop the prunes coarsely and add to the mix. Peel and dice the apple, macerate in a little lemon juice and add in turn.

- Chop the liver and heart of the duck quite finely and season with salt and pepper. Grate a little nutmeg into the mix and crush in the clove heads. Finish with the finely chopped fresh sage leaves. Knead this mixture very well with your hand and then place a third in the neck cavity of the duck. Draw the neck flap over and then stitch up the skin with a trussing needle or close it with a fine skewer. Roll the remaining stuffing into a sausage shape in a piece of foil and place it to steam in the red cabbage (see below).

- Place the duck on a trivet in the roasting pan and cook for 20 minutes on the ***high*** heat before turning the oven down to 170C and cooking for a further hour (protect the skin with a piece of foil if it colours too much). Pour out any rendered fat after 45 minutes for roasting some potatoes.

- Peel and core the Bramley apples, slice them roughly and toss them in lemon juice. Place them in a bowl with a couple of tablespoons of water, the cinnamon, cloves and a little more grated nutmeg and microwave for six minutes (traditionalists can simply cook the sauce on top of the stove). Whisk this mixture to a smooth apple sauce. I like my apple sauce to be sharp and tart; others may choose to add a little sugar.

< > - Once the duck is cooked remove it on its trivet from the roasting tray and leave, covered, in a warm place. Add the shallot, thinly sliced, to the pan and set on a good heat on top of the stove. Once the shallot is coloured, add the sugar and let it caramelise before pouring in the vinegar. Let this boil and reduce to a syrup before pouring in the wine and scraping up all the juices in the pan. Add the stock and let this gravy gently reduce for 10 minutes.

- Serve the duck on a bed of red cabbage with the apple sauce, some roast potatoes and the gravy strained into a little jug. To carve, remove the legs first and then carve long, thin strips with some stuffing attached at one end.

As a side

Red cabbage with smoked gammon

A robust and earthy treatment of red cabbage from Alsace. Normally a fatty, smoked bacon hock would be used. I could not source one in time and used a rather standard piece of smoked gammon joint which proved serendipitous with the slightly fatty duck.

1 red cabbage

2 tbs duck fat or oil

1 onion, studded with 8 cloves

150g smoked bacon

Bouquet garni of parsley, thyme and bay leaf

100ml chicken stock

3 tbs red wine vinegar

- Cut the cabbage in half, cut out the central core and then slice into thin ribbons. Heat the fat in a heavy casserole and add the cabbage on a ***high*** heat, turning it regularly and sealing it well, after adding plenty of milled black pepper and a small pinch of salt. Remove two-thirds of the cabbage and place the cloved onion and the gammon joint in the middle of the remaining layer, pushing them down towards the bottom together with the bouquet garni.

- Cover with the remaining cabbage, pour in the stock and vinegar and cover the casserole. Bring to the boil on top of the stove and then cook gently on top of the stove (or a ***slow*** oven, if available) for two hours. The cabbage is delicious when reheated.

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To finish

Hot chestnut cake with pears and chocolate sauce

The cake will subside a little after cooking but will have a moist, buttery interior. It will serve six comfortably but it is not worth making in a smaller quantity. It won't hang around for long.

The cake:

1 vanilla pod

200ml milk

200g peeled chestnuts

30g caster sugar

350g unsalted butter

350g caster sugar

6 egg yolks

50g plain flour

- Butter and flour a 22cm springform cake tin and preheat the oven to 180C.

- Split the vanilla pod and add it to the milk in a saucepan with the sugar. Add the chestnuts and simmer very gently until the milk has been absorbed. Blend the chestnuts to a purée in a food processor, adding a tablespoon or two of milk to help make it completely smooth.

- Cream the butter and sugar in the bowl of a mixer until very pale and fluffy and then gradually beat in the egg yolks. Fold in the flour and then add the chestnut purée, mixing very thoroughly to form a stiff batter. Pour into the cake tin and smooth out roughly with a spatula.

- Bake the cake for 45 minutes. It will rise a little as it cooks and will spring back to the touch in the centre when done. Allow the cake to rest in its mould for 15 minutes before turning out on to a plate. ***Keep*** warm in a low oven.

2 good pears

1 lemon

375ml dry white wine

50g caster sugar

1 vanilla pod

- Peel the pears, split them in half and remove the cores. Roll them in a little lemon juice. Bring the wine, sugar and vanilla to the boil, add the pears and simmer gently for 10 minutes. Leave to cool in their liquor.

100ml milk

150g extra bitter chocolate

50ml double cream

- Bring the milk to the boil. Add the chocolate in small pieces and stir in off the heat. Whisk in the cream and heat gently. To serve, warm the pears in their liquor, pour a little chocolate on to two plates and add a slice of the cake and a pear (without the liquor, which will make a very good base for a punch).

Rowley Leigh is the chef at Le Café Anglais

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So many must cast a wistful - if possibly slightly grateful - eye when they read yet another Christmas recipe featuring turkeys to feed 16, trayfuls of roast potatoes and Brussels sprouts and industrial quantities of cranberry sauce. Many of us - and I do not exclude the extended Leigh family from this - will be feeding the masses as usual this year but there are probably almost as many who will be celebrating (and I choose the word with care) Christmas with a much smaller number of people.

Take advantage of some great fizz deals at this time of year. Everything here is a champagne unless another appellation is cited after the vintage or "NV" for non-vintage. Wines are listed in ascending order of lowest known price in the UK. They are all likely to be 12-12.5 per cent alcohol unless otherwise noted.

Gobin, Perles de l'Angelier NV France

This is recognisably made from Muscadet with nutty, fresh, ripe distinctive fruit. Something a bit different. 11.5%

£10.99, Amps of Oundle and other independents

J Laurens, Le Moulin Brut NV Blanquette de Limoux

There's an attractive bit of development on the nose. Very fresh and really quite special for the money. Delicate on the palate. Look out for other bargains from this Languedoc producer.

£12.10, Ditton (sold by the six-bottle case)

Dom de Montbourgeau NV Crémant du Jura

This has a pretty, retro label. Good tang - recognisably Jura - Chardonnay with bite. Clean and revitalising. Less aggressive than a cheap champagne.

£12.50, The Wine Society

Teo Costa, Madre Natura Rosé NV Vino Frizzante

The combination of 100 per cent Nebbiolo and 0 per cent sulphites produces a very gentle, unusual, rose-scented Piemontese fizz that would make a most distinctive aperitif. 10.5%

£16.50, Vini Italiani of London

Forget-Brimont, Brut Premier Cru NV

From the village of Ludes. Open and relatively simple but proper stuff. A tiny bit sweet but reasonably delicate and a lot more refined and fun than the average own-label champagne selling at this price. Nicely balanced even if on the appetising end of the spectrum. Tiny bead. Neat finish.

£21.57, Justerini & Brooks

Barnaut, Blanc de Noirs Grand Cru NV Champagne

Big and brawny. Not that complex but not expensive, especially at the special offer price that lasts until Christmas.

£23.95 (price per bottle for case of six; £27.95 individually), Lea & Sandeman

Pascal Doquet, Horizon Blanc de Blancs Brut NV

This organically certified growers' champagne has a lightly nutty nose and is chock full of flavour. A steal considering J&B's margins. I don't think I would guess it were all Chardonnay; seems slightly richer than many Blanc de Blancs.

£24.07, Justerini & Brooks

Ridgeview, Bloomsbury Merret 2010 England

Signature wine from the estimable Ridgeview. Very frothy. Edgy in terms of acidity. Very clean but pretty tart.

£24.99, Waitrose

Chartogne-Taillet, Ste-Anne Brut NV

Very racy, direct, clean and breezy. Really neat and concentrated. The flagship blend from this champagne grower in Merfy is a great bargain.

£25, The Wine Society, Fine Wine Direct

Huet Petillant Brut 2007 Vouvray

Based on Chenin Blanc and one of the most welcome variations on the fizz theme: richer and more complex than many champagnes. Pale straw with a steady bead. Young, fresh, floral apple juice. Delicate and rapier-like acidity. Very vibrant.

£25, Berry Bros

Pierre Gimonnet, Cuis Blanc de Blancs Brut Premier Cru NV

Delicate texture but some autolysis on the nose. Real savour and refreshment. Beginning, middle and end to this proper wine - much more interesting than many champagnes at the same price.

£25, The Wine Society

Gusbourne Brut Reserve 2008 England

One of the most toothsome English fizzes with some real depth to it.

£26.45, Berry Bros

Pol Roger NV

A banker of a family-owned champagne. Price will go up once this retailer has sold all the bottles in this batch, which suggests it may have some bottle age.

£29.95, Lea & Sandeman, while stocks last

Agrapart et Fils, Les 7 Crus Blanc de Blancs Brut NV

From the seven villages where Agrapart owns vines, initially aged in old oak barrels. Complex, well-settled nose. Grapefruit peel on the finish after much throat-warming.

£31, The Wine Society

Charles Heidsieck Brut Réserve NV

The spearhead of a campaign by the new owner of this house to reposition it firmly upmarket. This cuvée, based on 2007, is very good, with 40 per cent reserve wines up to 10 years old.

£31.95, Berry Bros and other independents

Ruinart, R de Ruinart Brut NV

Bready nose with real interest. Something to get your teeth into. Very clean and neat and tastes as if it had quite a bit of age on lees.

£37.50, Lea & Sandeman, Jeroboams

Delamotte, Blanc de Blancs NV

Grand Cru Chardonnay from le Mesnil, Oger, Avize with a full 48 months on yeast. Signature bottling of this house, a sister to Salon, based on 2006. Quite a bit of age on the nose. Racy and quite delicate on the palate. Well made - just the right quality of fizz.

£37.95, Corney & Barrow

Larmandier-Bernier Blanc de Blancs Extra Brut Premier Cru NV

Still one of the finest non-vintage champagnes from a fine, biodynamic grower. Very broad and rich compared with many other handcrafted growers' champagnes. Quite incredible to think that this is an extra brut in view of the richness on the palate. Clean, refreshing, fabulous! Very persistent.

£39.95, Berry Bros and others

Deutz NV Rosé

One of the most impressive non-vintage pink champagnes I have tasted recently. Good dry finish. Solid matter on the palate.

£43.95, Vagabond Wines and others

Louis Roederer 2006

Very firm, savoury and dense, with lively acidity and a fine bead. Not massively intense or bone dry but very competent.

£44, Berry Bros; £45, The Wine Society

Bollinger, La Grande Année 2004

Hint of oak on the nose. Very winning and interesting. Extremely savoury but with flirtatious lift on the finish. Very persistent.

£65, Noel Young; £80, Berry Bros and others

Nyetimber, Tillington Single Vineyard 2009 England

Winemaker Cherie Spriggs offers record pricing with this all-Pinot bottling from an unusually ripe vintage. Quite deep bronze/pale gold. Heady nose. Lightly apple-y and more interesting than most English fizz. Not the driest but it has some autolysis and interest on the nose. Delicate bead.

£75, Philglas & Swiggot

For stockist details, go to *www.ft.com/fizzes*. More stockists at wine-searcher.com. Next week: Jancis's top whites

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3. To enter the FT Prize Draw, simply collect the four passwords printed in FT Weekend Magazine in Jancis Robinson's column: one each will appear on 30 December 2013, 7 December 2013, 14 December 2013 and 21 December 2013. Entry period is from 23 December 2013 until 31 December 2013. Answers should be sent to *ftweekendmagazine@ft.com* with "Champagne prize draw 2013" in the subject line. Only one entry per person is permitted. Multiple or incomplete entries will be deemed to be invalid.

4. The winning prize ("Prize") consists of 6 bottles of Laurent Perrier Grand Siecle champagne for the winner. There will be one winner.

5. The winner of the Prize will be the first eligible entry drawn at random who has correctly collected all 4 passwords. The winner will be drawn by FT on Friday 3 January 2014.

6. FT shall notify the selected winner by Friday 31 January 2014 and provide details of how to claim the Prize. If the Prize is declined or unclaimed by the winner, or if the winner cannot be contacted from the details supplied within 3 business days of notification, a replacement winner may be drawn at the FT's discretion and will be notified by the FT. The original entry that was drawn will then be forfeited.

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Lloyds Banking Group is accelerating disposals of non-core property and housebuilding assets as the ***state***-backed lender seeks to tidy up its balance sheet and pave the way towards restarting dividend payments.

The bank, which is 33 per cent owned by the UK government, on Friday announced it had sold a batch of property loans to a division of Cerberus, the US private equity firm.

The portfolio, worth £860m, was the last of the European real estate assets inherited by Lloyds through its takeover of HBOS at the height of the financial crisis.

The news came as it emerged that JPMorgan had been appointed to oversee the sale of another hangover from the HBOS deal - Lloyds' majority stake in Keepmoat, a Doncaster-based homebuilder and provider of social housing, according to two people familiar with the matter.

Rothschild has also been appointed to explore the sale of Dunfermline-based Avant Homes, the private housebuilder formerly known as Gladedale, whose main lender is Lloyds and in which the UK bank holds a minority of voting shares.

Selling these investments would end Lloyds' involvement in the housebuilding assets acquired through the HBOS transaction.

The sales processes come as housebuilders enjoy a return to good health, with government-backed schemes such as Help to Buy boosting confidence in the sector.

Lloyds declined to comment on Avant and Keepmoat, but said of the Cerberus deal: "This transaction is a further step in the deleveraging of our non-core assets, adding to the more than £28bn reduction achieved by the end of the group's third-quarter results."

Lloyds sold Cala Homes, the upmarket Scottish homebuilder, to a joint venture between insurer Legal & General and buyout group Patron Capital Partners for £210m in March.

That came a month after Lloyds announced the sale of Countryside Properties, part-owned by the Cherry family, to Oaktree Capital.

Lloyds has also sold its interest in McCarthy & Stone, the UK's biggest builder of retirement apartments, as part of the Project Lundy portfolio, which included other property stakes.

In 2011, the lender sold its shares in Crest Nicholson to Varde Partners, a distressed investment fund. Crest subsequently floated in London, raising £533m.

Lloyds is seeking permission from the Prudential Regulation Authority to restart dividend payments, which were suspended in the wake of the financial crisis.

Keepmoat, which merged with housebuilder Apollo last year, had revenues of £886m in the year to the end of March. Adjusting for exceptional items, earnings before interest, tax, depreciation and amortisation were £52.2m

Avant, which has an average selling price of £200,000, reported £71m in pre-tax profit in 2012, the last period for which accounts are available.

JPMorgan and Avant declined to comment. Keepmoat could not be reached for comment.

Following on from John Kay's eloquent view of London's property market, the Financial Times spoke to some young Britons about their struggles to buy a property in the UK capital.

Savills estimates the average house price paid by first-time buyers in London is about £264,000, with the average deposit at £66,000. With average salaries for first-time buyer households in London at about £53,000 a year, young British professionals are finding it tough to buy.

"There are plenty of young professionals in London earning good salaries who still can't afford to buy their own homes," says Susan Emmett of Savills. "Many simply can't save enough of a deposit to satisfy mortgage lender's criteria, especially when they are having to spend about a quarter of their income on rent."

Those who decide to buy outside London and commute face ***high*** train fares - latest prices from Network Rail show an annual season ticket to central London costs £3,960 from Reading; £4,400 from Cambridge; and £4,556 from Colchester.

Here are the stories of three young British couples who have had a difficult time trying to get a foot on the capital's property ladder.

1) Clapham Park

Paul Oesten Creasey, 28, and Enas Refaei, 27

Total combined income: £50,000 - £60,000

Budget: £250,000

Bought for: £215,000

Paul and Enas first started looking to buy a flat in Brixton, south London, in April this year, but found that their budget wouldn't stretch that far. "We started looking in Tulse Hill and Streatham Hill once Brixton seemed too expensive," says Enas. The couple finally found a two-bedroom flat in Clapham Park for £215,000, paying a £30,000 deposit and opting for a five-year fixed rate mortgage with Santander. But, as with many of their generation, Enas says the only reason that buying became an option for them was when Paul inherited £40,000 from his grandparents.

"We found saving for a deposit in London practically impossible," says Enas. "With house prices being on the steady rise, we didn't want to get kicked out of London."

Paul and Enas say they are coping well with their mortgage repayments so far. "It's only early days yet," says Enas. But if things don't go to plan longer term, they have a contingency: "If times get too tough, there is a spare room for a lodger," she says.

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2) London Fields

Sarah Waterson, 27, and Stuart Lerman, 30

Total combined income: £90,000 - £100,000

Budget: £355,000

Bought for: £353,000

Having rented in east London for several years, Sarah and Stuart began looking locally to buy their own flat in 2012. "We really wanted a two-bed flat near London Fields, but found that on every property we put an offer on, we were outbid - people were bidding at least 10 per cent over the asking price," says Sarah.

After looking for more than a year, they found the cost of a two-bedroom flat in the area they wanted had increased so much it was now out of their reach. "We started looking in north London and the southeast but just couldn't find what we were looking for," she says. "The options were either a large one-bedroom flat or a smaller two bedroom flat. In the end we settled for a one-bedroom flat in the area we wanted to stay in."

Earlier this year, Sarah and Stuart bought a one-bedroom garden flat near London Fields for £353,000, using a 15 per cent deposit and a mortgage from Santander.

Despite the difficulties they faced in finding somewhere to buy, the couple say they never considered moving to somewhere outside the capital. "It's great to be close to work and the cost of commuting from outside of London is also huge," says Sarah. "We also felt that property prices in London would be more secure than outside, which is a big factor. Being first-time buyers, we felt security for our money and location were more important than size."

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3) Stoke Newington

Alex Unitt, 27, and Rebecca Drewry, 27

Total combined income: £100,000+

Budget: £475,000 - £500,000

After renting in Finsbury Park, north London, Alex and Rebecca started looking to buy a property in the summer of this year, hoping ideally to find a two-bedroom flat in neighbouring Stoke Newington with some outside space. However, having put offers in for three different places - all above the asking price - they are yet to secure a sale.

Rebecca says buying in the capital has been much harder than she anticipated. "As buyers you think you're unique until you come across your carbon copy; they have the same budget, but actually more deposit, so they outbid you." she says.

Their plight has not been aided by some of the estate agents they have used. "They haven't really done us any favours," says Rebecca. Alex agrees: "One guy sat on a radiator in an open-neck denim shirt for the whole time we were there - he didn't have a care in the world."

Alex and Rebecca are still keen to buy because they think signing up for a mortgage will actually reduce their outgoings. "The irony is that when we do [get a mortgage], we expect it will be the same as our rent, which is a real driver for why we want to make sure we secure somewhere quickly," says Rebecca.

Frumenty is a medieval dish of cracked wheat cooked in almond milk or broth. A close cousin of porridge, it was an everyday staple in the early medieval period. It became less commonplace over the centuries but was still fed to the poor in workhouses through the Victorian period. Though almost unheard of today, frumenty has provided inspiration for a new dish on the Christmas menu at Heston Blumenthal's restaurant Dinner in Knightsbridge.

One of the first documented recipes for frumenty can be found in the 1390 manuscript The Forme of Cury. Written by a master cook from the court of Richard II (1377-1399), this is one of the oldest known cookery manuscripts in the English language. A British Library conservator helped me view it, carefully unrolling it and holding it steady with purpose-made lead "snakes". As a physical object it's impressive - made of calfskin vellum stitched together at 30cm intervals, it's more than 12ft long and contains 196 recipes. It's in amazingly good nick considering it's more than 600 years old.

The preamble to the manuscript explains that The Forme of Cury contains recipes for "common pottages and common meats for the household, as they should be made, craftily and wholesomely", as well as food designed to impress at royal banquets. Frumenty falls into both these camps - there's a basic recipe for cooking the dish with broth but there's also frumenty with porpoise, a dish fit for kings. Apt then that Ashley Palmer-Watts, head chef at Dinner, has chosen frumenty to be part of the Christmas menu: "Our approach to Christmas is about the ultimate luxury - that's what Christmas is about."

Standing in the kitchen of the restaurant watching Palmer-Watts cook his version of the dish is a surreal experience. The ***state*** of the art kitchen is located in the middle of the restaurant. Floor-to-ceiling glass walls turn diners into spectators and chefs into entertainers, a reminder that ***high***-end cooking has always been a form of theatre. Inside the kitchen there are futuristic, bespoke work units with refrigerated drawers, incorporated grill plates and hypersensitive electric hobs. But the heat coming off a pulley-turned-spit, slowly roasting caramelised pineapples, the flash of flame and embers visible when the smoking Josper oven is stoked and the scrubbed-faced chefs working intently at their stations could be straight out of a medieval kitchen.

Historic British gastronomy serves as a muse for Palmer-Watts and Blumenthal, inspiring their acclaimed contemporary cooking - Dinner has just been awarded a second Michelin star. Historical recipes, unearthed in old cookery books and manuscripts (some of which I help to research at the British Library), are the reference points for new recipe development. As Palmer-Watts explains, "What we're doing are never exact replicas."

The journey a recipe takes from a historical manuscript on to the menu at Dinner is often long and convoluted. This dish is a case in point. "Frumenty had been simmering away as a possible idea for a long time but we hadn't got round to developing it," explains Palmer-Watts. At first it was the name that attracted his attention. "It's just funny, isn't it? But then digging into the history, well the story was so good and the ingredients so intriguing we just had to do something with it."

Usually made to accompany meat or fish, frumenty was served hot with a porridge-like consistency, or was thickened, left to cool and then sliced, rather like polenta. "We found out that frumenty was often cooked with some sort of dried fruit," says Palmer-Watts. "The cracked wheat, the broth and fruit. That was interesting. And because frumenty often accompanied fish, it was a chance to develop a fish starter inspired by the medieval period."

Over a number of months the dish was developed. "The only sticking point for frumenty was the fruit. We were trying to shoehorn in fruit and it wasn't working." Some weeks before, Palmer-Watts had been given a Buddha's hand fruit - a fantastical-looking citrus with protruding fingers, no flesh but a highly perfumed flavour. "I didn't know how we'd use this," he explains, "but I was grabbing a moment with Heston and he mentioned they'd been pickling some Buddha's hand in the development kitchen lab. It was perfect - lovely and sherbety. It worked so well with the frumenty."

Finally, a frumenty starter of grilled octopus, smoked sea broth, pickled dulse seaweed and lovage was ready for the menu. "With the toasted spelt cooked with vegetable stock to accompany the octopus, then we have something that's not miles away from the original. It's been one of our most popular dishes and I think it's one of our strongest," Palmer-Watts says.

Knowing that frumenty was often given as a gift during the festive period in medieval times, Palmer-Watts decided to incorporate it into his Christmas menu: "If we could meld lobster into the frumenty octopus dish, using seaweed available in December, we'd have something really special."

Laid out ready for Palmer-Watts on stainless steel trays are the prepped ingredients: pickled dulse, luminescent rounds of pickled Buddha's hand fruit, a tiny mound of spelt that's been cooked in vegetable stock, a pile of bright green salty fingers and one of samphire, and three lobster tails. A small pan of smoked mussel stock and another of lobster emulsion simmer gently while Palmer-Watts cooks the lobster three different ways. He selects the one that has the perfect, just-cooked silky texture for the final dish. Then, applying the same degree of care and concentration as the library conservator who handled The Forme of Cury, he assembles the first trial serving of lobster frumenty.

The finished result looks like a perfect, sparklingly clear rock pool, or a dish made for a mer king. And it doesn't disappoint in the eating - there's smoky broth, rich, gelatinous lobster, crunchy salty fingers, salt-sweet pickled seaweed and a creamy herb emulsion that somehow tastes like the very essence of an English garden. The result is intense and complex but not tricksy. Palmer-Watts seems pleased. "There's so much in it but it's so pure. The next time Heston's here for dinner I'll get a couple of lobster tails in and see what he thinks. He loves the octopus so I think he'll love this too."

Conceding that most home cooks would struggle to reproduce the restaurant recipe for lobster frumenty, Palmer-Watts sets about making a home-proof version. With all the ingredients prepped, it's ready in less than 10 minutes, a one-pot frumenty made with cockles, scallops, spelt, vegetable stock, samphire, pickled seaweed and Buddha's hand fruit. It's more relaxed and less refined than its restaurant sibling but it's still impressive. "This is a stick-it-in-the-middle-of-the-table-type dish," Palmer-Watts enthuses. "A sharing dish."

Six hundred years have passed and porpoise isn't on the menu any more but Palmer-Watts's versions of frumenty - albeit translated, interpreted and distilled - are still good enough for a king.

Polly Russell is a curator at the British Library. To comment, please email magazineletters@ft.com

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Ashley Palmer-Watts's Frumenty with roast scallops, clams, pickled dulse and sea beet

Once the various components of this recipe have been prepared, the final cooking, all done in one large pot, takes no more than 10 minutes. Aside from the ingredients specified here, there are an infinite number of variations that would work, depending on availability and preference. Sea aster or sea rosemary could be used to replace the seaweeds listed here and quantities could be varied if necessary - add more samphire if you can't locate sea beet or double the sea purslane if sea beet isn't available, for example. Razor clams, mussels, cuttlefish or squid would make good alternatives to the scallops and clams. And if you cannot find a Buddha's hand fruit then use a pickled Amalfi lemon or, if you don't have time to pickle, use grated zest and lemon juice instead.

Serves 4

Ingredients

8 scallops

500g clams

10g chopped garlic

160ml vegetable stock

200g cooked spelt

20g sea purslane

40g samphire

20g sea beet leaves

30g pickled Buddha's hand fruit sliced from the "fingers"

8 pieces of pickled Buddha's hand fruit, centre slices

40g pickled dulse plus a couple of pieces for finishing

10g chopped coriander

30ml pickle liquid from the dulse

20ml pickled lemon juice

Ingredients for the pickled Buddha's hand fruit

100g water

75ml Chardonnay vinegar

40g caster sugar

1 Buddha's hand fruit

Ingredients for the pickled dulse

360ml water

72ml Chardonnay vinegar

35ml white soy

5g sugar

4g salt

20g dried dulse

Ingredients for the vegetable stock

250g leeks, white part only, sliced

200g carrots, grated

175g onions, sliced

175g button mushrooms, grated

85g fennel, grated

85g celery, sliced

40ml olive oil

1 bay leaf

4 thyme sprigs

1.5 litres cold water

25g flat leaf parsley

Ingredients for the cooked spelt

50g spelt

10ml olive oil

300ml vegetable stock

Method

Three days before you want to cook the frumenty, prepare the pickled Buddha's hand fruit as follows.

To make the pickled Buddha's hand fruit

Heat the water and Chardonnay vinegar in a pan. Add the sugar and stir until completely dissolved. Remove from the heat and allow to cool. Cut off all the "fingers" on the Buddha's hand fruit, using a knife, then slice into 1.5mm-thick slices, using a mandolin. Slice across the "fingers" to create circular slices. Using an electric slicer, cut the base section of the Buddha's hand fruit into 1.5mm slices. Put the sliced "fingers" and base section into a jar or container, cover with the pickling liquid and place in the fridge for at least three days. As long as the fruit is submerged in the pickling liquid and is refrigerated it will last up to three weeks.

24 hours before you want to cook the frumenty, prepare the pickled dulse.

To make the pickled dulse

Heat the water, Chardonnay vinegar and white soy in a pan. Add the sugar and salt and stir until dissolved. Remove from the heat and allow to cool. Wash the dried dulse thoroughly in cold running water to remove any sand. Cover with water and leave to soak for 10 minutes. Drain well then add to the cooled pickling liquid. Place in an airtight container in the fridge for 24 hours before using.

At least two hours before cooking the frumenty, prepare the vegetable stock and cook the spelt.

To make the vegetable stock

Peel and prepare the vegetables. Heat the olive oil in a large pan, add all the vegetables and sweat for five minutes without allowing to colour. Add the bay, thyme and water and bring to the boil. Skim off any froth or impurities that rise to the surface and gently simmer for 30 minutes. Remove from the heat, add the parsley and allow to infuse for 20 minutes. Pass the stock through a fine sieve and discard the vegetables. Remove any fat from the surface of the stock. Refrigerate until required.

To cook the spelt

Heat the olive oil in a pan and lightly toast the spelt, stirring continuously until light brown in colour. Add 300ml of the vegetable stock and simmer until the spelt is tender but still has a little bite and almost all the stock has been absorbed. Pour the spelt out on to a tray and cool in the fridge and reserve.

Ten minutes before you wish to eat, start assembling the frumenty.

Season the scallops with salt and pepper. Heat a frying pan until very hot then fry the scallops on either side until light, golden brown. Remove and set aside in a warm place to complete cooking and rest. Heat a generous splash of olive oil in a large frying pan with a lid. When the oil is smoking add the clams and cook on a ***high*** heat for a minute. Add the chopped garlic and cook for a further minute then add the vegetable stock, cooked spelt and sea purslane. Cover with a lid and bring to a simmer. Once simmering remove the lid then add the samphire, sea beet leaves, Buddha's hand rings and most but not all of the pickled dulse. Cook for another minute until the clams open then add the chopped coriander and both pickle liquids. Divide the broth and clam mixture between two large bowls, making sure the scallops are clearly visible. Place a couple of larger pieces of pickled dulse and large pieces of Buddha's hand fruit in and around the dish and then serve.

Bob Dylan's three-night residency at the Royal Albert Hall was his first visit to the venue since the 1966 tour when he was heckled for the heinous crime of playing an electric guitar. What fresh outrage would he concoct this time? Dylan goes ukulele? The great man turning to his band amid howls of indignation: "Strum it loud ... "

The old tease kicked off Wednesday's show with "Things Have Changed". "Standing on the gallows with my head in the noose," he rasped: "Any minute now I'm expecting all hell to break loose." But unlike 1966, nothing had really changed. From his black frock coat and raffish two-tone shoes to the road-tested touring band, Dylan, 72, was in the role he has been playing since 1997's Time out of Mind - that of the itinerant troubadour, the mythic American wanderer who, as he later sang, "ain't seen my family in 20 years".

He and his five-strong band were illuminated by muted sepia lighting on a darkened stage in the round. There were no spotlights to focus attention on individual players. They played as a unit, like an antique roadhouse band transported by some odd wormhole to the plush setting of the Royal Albert Hall.

Most of the set was drawn from Dylan's post-1997 work, with his latest album Tempest predominating. Charlie Sexton delivered deft but unshowy solos on guitar while steel guitarist Donnie Herron added a western twang.

Drummer George Recile and bassist-bandleader Tony Garnier drove the tempo forward immaculately, from "Beyond Here Lies Nothin's"'s Latin shuffle to the boom-chicka-boom railway beat of "Duquesne Whistle".

Dylan alternated between a microphone stand in the centre and a grand piano at the side where he stood playing rudimentary chords, often one-handed. The rumoured arthritis appeared to be confirmed by the other hand dangling by his side; he seemed uncertain what to do with it, often propping it awkwardly against his hip. But his harmonica-playing was lusty - it replaced the accordion parts that Los Lobos's David Hidalgo contributed to recent albums - while his ruined voice struck me as unusually vigorous.

Tempest's "Pay in Blood" found him hissing the line "I pay in blood - but not my own" with B-movie relish. And "Forgetful Heart", a rootsy ballad from 2009's Together Through Life, was outstanding, Dylan contorting his groaning tones into genuine tenderness. With his frizzy grey hair in a quiff that had failed to defy the laws of gravity, he resembled a ghostly satire of a 1950s showman; the way he looked at the audience after kerplunking the piano keys - as if to say "Top that!" - was straight from the Jerry Lee Lewis school of stagecraft, with a hefty dose of irony.

He ended with two classics: "All Along the Watchtower" and a neatly countrified "Blowin' in the Wind", the latter punctuated by a swaggering harmonica solo. A young man pushed past me to throw something on stage, a "personal letter to Bob Dylan". Dylan, standing taking his bow, did a cartoonish double take as the package skidded past his feet. It wasn't addressed to "Judas".

bobdylan.com

What to say about Mark Morris, his dances and his dancers, save that their return this week to Rosebery Avenue is the most welcome, the most stimulating of events? I would add that, in a city where inadequate, score-bruising choreography abounds, we see in Morris's work the triumph of an art of subtlest creation and sensibilities, movement an organic and radiant development of its music. Strong words? Of course, and necessarily so when activities that have lately occupied this same stage (notably with Hofesh Shechter and Rambert) have tarnished the good name of choreography.

Morris, who has genius, offers us - in this first of two programmes - dances that are the most seemingly natural and felicitous realisations of their score. Design? A bare stage, discreet costuming, good lighting. Music? The refined resources of Morris's own ensemble - a septet comprising gifted singers and musicians - performing Beethoven's settings of British folk songs, Weber's Grand Duo Concertant for clarinet and piano, Satie's Socrate. The result? An evening of dance penetrating of its music, both beguiling and uncompromising, a vivid image of what the composer created.

The Muir takes Beethoven's delightful songs, shows us their charm, their world, and in a final heart-tearing sequence, their soul. Crosswalk is a joyous realisation of Weber's virtuosities and ingenuities of craft for the clarinet, its every least feat of bravura explored by 10 buoyant men and three flame-garbed women, running (and walking) across the stage, springing delightedly over their music, its forms their forms, its happy rhythms theirs. Socrate offers a prodigious visualisation of Satie's austere masterpiece concerning the philosopher's final days. This most unemphatic music (idiomatically given by the tenor Zach Finkelstein and the pianist Colin Fowler) is explained, respected, as Morris's dancers, clad in pale-hued tunics and chitons and kilts move through choreography that probes with every restraint the heart of Satie's score. I think it a masterpiece and, like so many of Morris's dances, amazing in power, eloquence, clarity of vision. And lit by a radiant humanity. Choreography unalloyed, life-enhancing. Vast gratitude to Morris and his artists.

markmorrisdancegroup.org

One day in East Hampton in about 1960, the Pop artist Larry Rivers introduced Jasper Johns to a Russian-Jewish émigré named Tatyana Grosman, the somewhat unlikely founder of the printer Universal Limited Art Editions, or ULAE. Grosman was on a mission to recruit exciting contemporary artists to make original lithographs, and she had become enamoured with a Johns painting of a coat hanger, an audaciously banal subject in that era, that she had seen at the Museum of Modern Art.

Not long afterwards, Johns recalls, "she delivered several heavy stones to my Front Street door". They were lithographic stones, on which he could draw. "I quickly decided that it was easier to make the trip to West Islip [on Long Island, New York, where ULAE was based] than to carry the stones up several flights to my studio. Once I began, it was clear that there were things to learn and to play with."

Johns is typically understated in describing his ongoing 53-year odyssey that has not only heavily influenced the direction of his practice but also helped alter the very definition of what a print could be: not a reproduction or a step-sibling to painting, but a work of art in itself, of equal importance to any other medium.

One artist brought another, and soon Grosman had ***lured*** a virtual who's who of the era - from Robert Rauschenberg and Cy Twombly to Helen Frankenthaler and Robert Motherwell - to her cottage with the promise of lunch and the freedom to experiment. In the process, ULAE became a storied force in contemporary art.

"You get the sense there were all these young people with nothing to lose," says Iwona Blazwick, director of the Whitechapel Gallery in London. "They had no money, just ideas. They would get fed, watered and the materials they needed. It was almost utopian."

Now Blazwick and Bill Goldston, who succeeded Grosman at ULAE after her death in 1982, are mounting an exhibition of Johns' prints at the Gallery at Windsor, in Hilary and Galen Weston's exclusive Vero Beach, Florida, development. It is the third annual collaboration in the Whitechapel at Windsor series, mounted to chime with Art Basel Miami Beach. The show focuses on Johns' body imagery, including recurring figures of a man and a boy as well as renderings of hands doing sign language and a family portrait made when Johns' father was a baby. "He uses the body as a kind of language," Blazwick says.

While many might speculate that Johns' imagery is deeply autobiographical, Goldston notes, "I don't think anyone knows the meaning it has for Jasper. I was more interested in the repetition of the image - you know, how he says: 'Take an image, do something with it, do something else with it.' It has more to do for me with how the image changes from one print to another."

Grosman's role as printmaking's catalyst began when she was already in midlife. Before then, she had been buffeted round the world by the 20th century's calamities. As a child, she and her family escaped the Russian Revolution, settling in Japan, then Germany. With that country's embrace of Nazism, she and her artist husband Maurice moved to Paris. After the Germans marched in, the couple fled to Spain, then Portugal and finally to New York in 1943.

Faced with her husband's failing health and the need to earn a living, Grosman turned to printmaking. Their friends were artists and the language of the printing press was not entirely foreign, since her father had owned a newspaper in Siberia. Still, no one expected ULAE to elevate prints to such an art form that MoMA would acquire one of every single ULAE edition, as it has for half a century.

"Tanya was attentive and encouraging, as I think she was to any artist she trusted to work at ULAE," Johns says. "Her European, old-world background seemed to strengthen, or stabilise, her interest in experimentation and novelty."

Grosman was not a master printer herself; for expert knowhow she turned to people like Goldston, who first came to ULAE in 1969 to work with Rauschenberg, and who, like his good friend Johns, had embraced printmaking as central to his artistic practice. "He and I sort of became brothers," Goldston says.

Initially, Goldston thought ULAE would be a temporary gig. "All I wanted to do was be an artist," he recalls. Grosman, though, persuaded him to stay.

On a sunny autumn day, Goldston, 70 and elegant in a navy blazer and grey trousers and sweater, begins his tour of ULAE at the one-time gardener's cottage, which now houses a lithographic press on the main floor and an etching studio in the basement. Upstairs is a viewing room.

Well into his employment with Grosman, he recalls, "every night I had to lock the cabinets and give her the keys". Her insistence, he says, was not for lack of trust. "It was out of respect for the artists and their work."

ULAE's main operation is now a few miles away, in Bay Shore. There, the staff of 10 still cooks and eats lunch together daily around a square wood table, along with whichever artist or collector happens to be visiting. Prints by Lee Bontecou and Larry Rivers hang on the walls, along with ULAE's "birth certificate". A drawing Goldston made in art school - the only piece of his not in the bin, he says - sits over the sink, placed there, he notes, as a staff joke.

Goldston, who grew up on a farm in Oklahoma, first worked with Johns in 1971. He'd been assigned to print images for a planned Johns catalogue raisonné on an offset printer, a device then considered acceptable for ***high***-end books but artistically inferior to a lithographic press. Much to Grosman's horror, he consented to Johns' request to show him the press, which was housed at another location. "I came close to losing my job that day," Goldston says.

Johns, as Grosman feared, became enthralled with the new ***technology***. One morning Grosman stopped by while the two men were hard at work. "Jasper was drawing on a plate," Goldston recalls. "As fast as he could paint them, I could get them ready. She came in. I saw her standing in the door. Four or five minutes, she did not say anything. She closed the door and left." At lunch back at the house, Grosman told him, "The energy in that studio was so electrifying I was afraid to interrupt it."

That spirit of experimentation has guided Goldston and ULAE into the digital age. "Ideas are ideas," he says. "You think Giotto wouldn't have loved the possibilities of what we're using today? It's all another method to get the idea out of the brain."

Artists who've worked with Goldston say that he is a master at getting out their ideas. "It's always done very gently, sometimes without your knowledge," says Terry Winters, whom Goldston first brought out in 1982.

Lisa Yuskavage, who had made a mental note of ULAE as a student studying Johns, compares Goldston to Fred Astaire: "He lets you move, but he guides you at the same time.

"He pushes me," she continues. "He disobeys me."

Yuskavage recalls how she resisted his suggestions to try digital. "I'm like, 'Digital blah blah blah,'" she says. Against her wishes, he scanned the image they had printed, printed it digitally extra-large and then, using the keys she had given him to her studio, snuck in and pinned prints all over. First Yuskavage was annoyed. Then she took out her pastels and went to work drawing on the prints, several of which have since been acquired by museums. "Bill is not just a printer," she says. "It was his leap. It was not my leap."

Says Goldston of their collaboration: "We're having a heck of a good time."

That the business is not always profitable is beside the point. Though Goldston considers it a "blessing" that 15 or 20 collectors can enjoy the finished product, "it's not about making multiples. It's about something creative."

'Jasper Johns: Shadow and Substance', December 8-April 30 2014

windsorflorida.com

Apple fades in race to conquer TV

Latin America is no longer a geographical description: it's a cultural phenomenon. Never does the city of Miami feel more a part of the south of the great American landmass as when the art crowd hits town for the powerhouse fair Art Basel Miami Beach. And not only for the mothership, as ABMB has now become, but also for the plethora of her acolytes: at least a dozen satellite fairs will pop up in Miami next week to take advantage of the fairground atmosphere that visits the city each December.

The influx of both talent and commercial acumen from central and South America is greater this year than ever, according to Latitude: Platform for Brazilian Art Galleries Abroad, a project supported by the Brazilian government and the Association of Brazilian Art Galleries. No fewer than 22 galleries from Brazil alone, they report, are showing across six fairs: 13 at Art Basel Miami Beach and nine others at Context, Scope, Art Miami, Art Untitled and the Brazil Art Fair, including some that have never before ventured beyond their own borders.

The Brazilian art scene amounts virtually to a craze at the moment. It is also, incidentally - interpret this how you will - the only national art market in which all the bestsellers are female: viz Lygia Clark, whose "Bicho Invertebrado" (1960) fetched $1.9m at Phillips New York this month. Numbers like this should put a gleam in the eye of her galleries at Miami - DAN, from São Paulo, and London-based Alison Jacques.

Other recent Brazilian sales also imply good news. Two works by the late Brazilian Sérgio de Camargo sold for over $1m at Sotheby's New York last week, including a record for the artist brought home by "Untitled (Relief No 21/52)" (1964) at $2.2m, almost quadruple its estimate. New York's Mary-Anne Martin gallery should also have ***high*** hopes for the Mexican artist Rufino Tamayo, whose "Women reaching for the Moon" (1946), recently went for $1.4m. And results from last month's ArtBo fair in Bogotá were cheering too.

The wealth of Latin American talent assembled in Miami has a geographical rationale, of course - the city sits at a significant crossroads. And, despite their tigerish economies, there is still in the southern countries of the continent a cultural insecurity: coming to the US to buy and sell, to see and be seen, is still an important validation for dealers, artists and collectors alike. Miami has its magic. Now celebrating its 11th edition, ABMB is no longer seen as the baby sister of its European senior sibling, but as a distinctive phenomenon - in fact, the two are utterly different in feel and mood.

And, as grown-up fairs do, it has had a powerful effect on its hinterland. Not only the eager satellites but also some superb public shows are in prospect: Tracey Emin at the excellent Miami MoCA, Ai Weiwei at the new Pérez Museum, fine displays at the Rubell Family Collection and other privately funded venues. Not to mention installations on the beach, the obligatory art bar, and much more.

Which goes to show that, despite the chatter of Spanish and Portuguese voices among the artworks on display in Miami next week, the rest of the world is hardly under-represented. Among the grand total of 253 galleries showing across six sections at ABMB, newcomers and regulars include Asian and European galleries as counterpoint to the (roughly) 50 per cent from the Americas.

The linguistic bridges ***lure*** galleries from Barcelona and Madrid, taking advantage of the Hispanic mood. Others simply do what they are good at - Galerie 1900-2000 from Paris brings Duchamp, Man Ray and Picabia; Chemould from Mumbai brings Shilpa Gupta and Jitish Kallat. From as far afield as Oslo and Beijing, Athens and Buenos Aires, geography goes into the great melting pot of the art souk.

Tom Wolfe's 2012 novel Back to Blood, which mirrors "class, family, wealth, race, crime, sex, corruption and ambition in Miami, the city where America's future has arrived first", contains a hilarious-but-vicious portrait of the super-rich vying for first entry to the city's premier art fair. It's hardly a pretty picture, but it's an unforgettable insight into the passion and madness that drives this burgeoning phenomenon. According to a recent article by my colleague Georgina Adam, in 1970 there were three main art fairs in existence (Basel, Art Actuel and Cologne). By 2005 there were 68 and in 2011 there were 189. Who knows what 2014 will bring.

Art Basel Miami Beach runs December 5-8, artbasel.com

The Italian tyre company Pirelli kicked off the A-list's Christmas party season this year with a 50th anniversary celebration of its ***best***-known product - the Pirelli calendar.

In a vast contemporary art space on the outskirts of Milan, more than 500 guests, including Sophia Loren, Kevin Spacey, Miuccia Prada and Patrizio Bertelli, plus prominent industrialists, European bankers and many, many models, sat down for a black-tie gala dinner - with a side helping of nudity.

"The thing about the Pirelli calendar is that you could just go wild," said model Karolina Kurkova. Her outfit, men's black tie on top and tiny leather shorts by Dsquared2 on the bottom, amid a sea of long dresses and buttoned-up tuxedos, struck exactly the right tone for a glamorous night with a risqué undercurrent.

Perhaps unsurprisingly for a party for this very Italian brand, most guests were dressed in homegrown Italian labels: Giorgio Armani, Fendi, Alberta Ferretti, Ermenegildo Zegna, Gucci and Dolce & Gabbana all featured. Afef Jnifen, model and wife of Pirelli chairman and chief executive Marco Tronchetti Provera, wore a form-hugging, floor-skimming azure-blue velvet gown by Alberta Ferretti. Elisa Sednaoui, the Karl Lagerfeld muse-turned-actress, was in red velvet by Fendi, again fitting from breastbone to ankles.

But, interestingly, given that this was a Pirelli calendar party, most revellers had chosen not to reveal too much flesh. Perhaps this was not to distract fellow party-goers from posters above their heads - many of which showed portraits of the very same women wearing little more than either loincloths (in the 1994 calendar "In Praise of Women", which featured Kate Moss) or leaves (in photographer Richard Avedon's 1995 calendar "Seasons"). It was a contrast that played well at Pirelli, a brand that has, after all, excelled at using pin-ups to sell tyres for half a century.

For the men, as ever the choice was easier, with tuxes the theme of the night; albeit with a few notable exceptions. Lapo Elkann, billionaire Fiat heir and society-circuit flâneur, wore a checkerboard suit by Lapo's Wardrobe for Gucci, plus "a vintage Mickey Mouse Rolex", which he was keen to point out. Elkann also slipped off his patent black dress-shoes, complete with bow, to show that they were tailor-made on Savile Row. Among the photographers the swinging 1960s appeared still in vogue: with many sporting baggy linen suits, sneakers and Sebagos. Although this was a rainy night in Milan, their look was reminiscent of the calendar's first photo shoot, by Robert Freeman on a Caribbean island in 1964.

The star of the night was Sophia Loren, who was regal in body-skimming silver Giorgio Armani. What was it like, I asked, to pose for Pirelli in the 2007 calendar? "For me, it was surprising doing that for the first time at a later age," the 79-year-old replied. "For Pirelli, it was a scoop to have me."

Still, the last word went to Kevin Spacey, who compèred the evening in a midnight-blue tuxedo by Burberry, and was the only one to address the elephant in the room. "I think I know the secret of your success," he commented, when partygoers had just watched a 20-minute film of 50 years' worth of Pirelli calendar images during the interval between their risotto entrée and veal main course. "Did you count the breasts? That was a lot of breasts."

Fred Hervey, 39, is managing director and co-head of UK private banking at Berenberg Bank, where he has worked for three years. He was previously with Barclays.

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Suit by Dress 2 Kill

This is a lightweight blue wool suit with a weave in it. I buy almost all my suits from this company and a number of them are seven years old or more, so I know they last. This suit is about a year old. As I'm a private banker my suits are conservative but they'll always have little touches of personality, such as the lining - which on this one is deep burgundy. But nothing crazy: I meet so many different sorts of people and you want to make everyone feel at ease. It shows respect to some and instils comfort in others: there's a professionalism to people wearing suits.

dress2kill.com

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Shirt by Dress 2 Kill

I'm tall and I have long arms so I get shirts made to fit. Dress 2 Kill does a great service in a multitude of different cuts: bespoke without being super-expensive. I think people get put off by bespoke because they think they will have to remortgage their house but these are actually quite affordable.

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Tie by Hermès

This is blue and red silk and, now that I'm looking at it, I realise the pattern is letters; Hs and Qs. Hermès ties suit my style because they are discreet. I'm not very good at shopping at airports but I bought this in Zürich airport since I travel back and forth to our Swiss office. I insist on buying my own ties. My wife has tried to on occasion. We agree on almost everything apart from the choice of my ties.

hermes.com

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Cufflinks by Sammy Duder

These are square and sterling silver, each has a fingerprint of my two children and their names. To be honest, I wear these almost every day. They were given to me for Father's day last year. They remind me to go home more often.

sammyduder.com

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Watch by IWC

For someone who doesn't like shopping in airports, it's funny I have two things on from an airport. I got this in Hong Kong airport before I joined Berenberg as a "good luck in your new job" present from my wife. I have a number of watches but this is my favourite. It's a large black-faced watch with traditional leather straps. The brand is not one of those instantly recognisable ones. People who know watches would recognise it but otherwise it's not well known, and I quite like that, and they make a nice product. I'm always sort of slightly looking out for a watch.

iwc.com

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Shoes by Harrys of London

These are simple, classic black lace-ups. Harrys is another brand I really like. They are traditional and handmade but have a technical aspect. These have injected rubber soles, which means my feet are always dry. It is a full leather sole but this weird injecting thing they've done works well living in London. This pair is quite new but I have three or four pairs of their shoes now.

harrysoflondon.com

Apple fades in race to conquer TV

In the early morning chill, my holiday companions were milling about the kitchen. While eating toast, they gathered up clothing and equipment for the day, to the swooshing of nylon salopettes. Their outfits were simple and tailored, light and slim-fitting. And then there was me: Bambi in a sumo suit.

As someone who is 5ft 2in and a holiday skier, outerwear can be a disaster. The above scenario took place during an Easter trip. I had struggled to find a decent outfit at the last minute: hence my very puffy purple jacket and black trousers cut for a portly giant. I vowed that the next time I went skiing I would have snow gear that was not just protective, but fit for off-piste viewing too. Earlier this month, that "next time" arrived: a coaching clinic at the ski dome in Hemel Hempstead. Enter Moncler.

Now famous as the puffer jacket of choice for ladies everywhere from Chelsea to Courchevel, Moncler in fact has roots deep in the world of mountain climbing and skiing. Originally known for making quilted jackets and sleeping bags for mountain expeditions, it was the official supplier of the French national downhill ski team at the Grenoble Winter Olympics in 1968 and in the past 40 years has broadened its horizons even further. Its current ski label, named Grenoble, represents only about 10 per cent of its total product range, which also includes Gamme Rouge, the haute couture line by designer Giambattista Valli. Grenoble sports the Moncler signature: the use of non-traditional performance fabrics - think wool tweed - to create garments that work on and off piste.

My test case was an Irrenberg jacket. This is standard Moncler: black quilted nylon, cockerel logo on the shoulder, waist nipped in by an elasticated belt. At £780, it is at the low end of the price range for this line, which can go over £2,000 for jackets embellished with fur and wool. From the outside, it looks like a simple everyday winter weather jacket for the city. (At the office there was much envy among even non-skiing colleagues, who simply wanted to wear it to work.) But it comes with frills: a traditional powder skirt inside; a double zip so you can close the jacket just as far as your waist, rather than all the way from hip to neck; fleece-lined pockets; a hood big enough to cover a helmet and a turtleneck for added warmth. Plus waterproof pockets inside and in the sleeve for phones and keys. Missing were a few features of more technical jackets, such as clips that hook on to your trousers to give you extra protection from powder snow (and some Grenoble jackets have an internal gaiter that zips on to trousers).

Still, given that I wasn't waist-deep in powder, this was not a big issue, and on the slopes the jacket was both warm and movement-friendly. Watching myself on playback (the clinic insists you see your own mistakes) I was delighted to note that no matter how messy my skiing, I still looked sharp. In fact, I was so delighted that back in London I made a beeline for the Moncler shop to try on more jackets, including the Reidberger (£1,180) and the Skilbrum (£1,085). Made with bi-stretch technical nylon over feather down, they were both beautiful, with a body-conscious shape, and unlike the Irrenberg they come in colours other than black: the Reidberger in a chic blue, and the Skilbrum in light or steel grey or dark green. The Skilbrum, which also has a removable fur-lined hood, is belted, with quilting on the back and slim-fit arms.

Still, there's no getting away from the fact that this is an Italian luxury garment, thanks to the sizing. Which is, to be blunt, on the small side. Be prepared to go up a number, and be comforted by the fact no one looking at you will be able to tell.

moncler.com

Anousha Sakoui is the FT's M&A correspondent

Journeys down memory lane are rarely predictable. Unlike the drive from JFK into Manhattan - it never seems to improve and I'm convinced it's uglier than it was a decade ago - memory lane is a place that can fill you with joy, make you instantly depressed, inspire you to pick up the phone and call a long-lost classmate or quietly pull on your coat and beat a silent retreat to the nearest fire exit.

Apple fades in race to conquer TV

Following an intense birthday weekend in Tokyo that involved dinners, drinks and singing at all my favourite venues, I touched down in London early on Tuesday morning ready to take on the day. While I normally make my way between Europe and Japan on ANA, Finnair or Swiss, it's hard to beat the 6pm departure on BA from Tokyo Haneda (much closer to the city centre) to Heathrow. You are almost guaranteed to pass out before the aircraft gains altitude over Tokyo Bay and, with a bit of luck, not to wake up until you're over the English Channel.

Armed with 11 hours of solid sleep, a day of meetings wasn't a problem until the 3pm dip, when I was struggling to pay attention to a presentation from colleagues. A flat white and small sugar hit from our café down the street soon put things right and by 5pm I was back in the game.

Normally I wouldn't plan an evening out after a 10-day trip but an invitation to a friend's farewell party was too important to miss, so I jumped into the car and made my way to Canada House on Trafalgar Square.

After a painfully ***slow*** tour through the West End, we pulled up in front of Canada's recently renovated digs and were greeted by some burly security guards who struggled to find names on their clipboards. (National branding tip number one: get some Royal Canadian Mounted Police officers in full red get-ups to look after this task as this is your first encounter on Canadian territory.) We then went up the stairs and into an elegant reception room, where I was greeted by our jolly ***high*** commissioner to the UK, before making my way through the crowd to find the guest of honour.

With a glass of bubbles in hand (national branding tip number two: was it Canadian? Was it Australian? French? Would have been good to know), I surveyed the room and was surprised by the number of faces I recognised - BBC correspondent Lyse Doucet chattering away, Channel 4's Jon Snow shaking hands and looking concerned, and sometime radio host (and current lavender farmer) Nancy Durham, looking mildly naughty among a group of more sedate guests.

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After slaloming around clusters of animated well-wishers, I found Ann MacMillan - the Canadian Broadcasting Corporation's retiring London bureau chief, and the star of the evening.

Since the mid-1970s, MacMillan has been a reassuring figure on TV screens across Canada - first for commercial network CTV and, since the early 1980s, for ***state*** broadcaster CBC. She's also a familiar face for anyone who spends much time in and around Fitzrovia - the one-time international TV news hub of London that's seeing a bit of a renaissance. In the golden days of TV and radio newsgathering, the CBC occupied an entire semi-modernist building on the west side of Great Titchfield Street, a stone's throw from the BBC's Broadcasting House. At CBC a staff of 60-plus from the network's English and French TV and radio networks fanned out across the region to cover disasters, ***state*** visits, conflicts and no shortage of royal stories. Over the years since then, the bureau has been the victim of various cuts.

Throughout the period, MacMillan has covered the political landscape of the UK and also managed the far trickier politics of a network that's been trying to figure out its place and redefine its mission in Canada, one of the world's biggest English language markets.

When I arrived in London in 1990, the CBC was one of the first places I applied for a job. Ann was away at the time and I was interviewed by someone filling in for her during the summer break and I didn't get hired for the position. A few weeks later, I landed a job up the street, in US network ABC's massive London bureau (140 people back then). I recall Pierre Salinger padding around his corner office entertaining various ambassadors and Peter Jennings used to fly in on Concorde to read the news "live" from London.

All over Fitzrovia you could spot the most famous faces, or hear the most famous voices, in broadcast journalism. A few of them are still around but Ann's will most definitely be missed from both street and screen.

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US stocks suffered a last minute sell-off at the end of a shortened trading week that dragged the S&P 500 back from a record ***high***, as early bullishness following signs of strong consumer demand in the holiday shopping season faded.

Broader sentiment in the markets this week was helped by mostly encouraging data on the US housing and labour markets - even though it did little to dispel speculation that the Federal Reserve could begin scaling down, or "tapering", its stimulus measures before year-end.

Oil prices were in focus at the start of the week following Iran's agreement to curb its nuclear programme in return for an easing of sanctions.

The S&P 500 equity index ended Friday's half-session with a drop of 0.1 per cent - leaving it with a weekly gain of 0.1 per cent, and a rise of 2.8 per cent in November as a whole.

Across the Atlantic, the FTSE Eurofirst 300 ended just a fraction firmer on the day, but still at a five-year peak. The index gained 0.6 per cent over the week and 1 per cent in the month.

In Tokyo, the Nikkei 225 slipped 0.4 per cent on the day, but still managed a weekly rise of 1.8 per cent, reaching a near six-year ***high*** in the process and an impressive gain of 9.3 per cent in November.

The strong performance of the exporter-sensitive Nikkei was largely down to the weakness of the yen.

The currency hit a six-month low against the dollar overnight before steadying after the release of strong Japanese inflation data that appeared to vindicate the anti-deflation policies of Shinzo Abe, prime minister. The dollar rose about 1 per cent over the week to Y102.24 and about 4 per cent over the month, .

"We expect dollar/yen to ***keep*** the pressure on the upside as the composition of portfolio flows appears consistent with renewed investor confidence in 'Abenomics'," said Hans Redeker, head of global FX strategy at Morgan Stanley.

"We believe the way is now open for gains to target the Y103.75 May ***high***."

Analysts at Danske Bank noted Japan was one of the few leading world economies to see consumer prices accelerating - and that this was the first time since 1998 that Japan has had ***higher*** inflation than the eurozone.

"It shows what to do if you want inflation to go ***higher***: print a lot of money," Danske said.

Indeed, while the latest eurozone consumer price data showed the year-on-year rate of inflation increasing slightly in November after the previous month's worryingly soft outcome, money supply and lending figures released earlier in the week ratcheted up pressure on the European Central Bank to be even more accommodative.

"The ECB will probably hold fire on taking any further action at its 5 December policy meeting given that it only cut its refinancing rate in November and inflation has moved up from its October low," said Howard Archer, economist at IHS Global Insight.

"However, we expect the ECB will take further action before long, most likely in the form of another Longer-Term Refinancing Operation, especially given latest data showing a further and deeper fall in bank lending to businesses in October."

In spite of such expectations, the euro remained resilient, rising 0.4 per cent against the dollar over the week to a one-month ***high*** above $1.36. The single currency also hit a five-year peak against the yen.

Sterling also put in a strong performance amid growing optimism about the UK economic recovery, touching a two-year ***high*** against the dollar within a whisker of $1.64.

The Bank of England unveiled an overhaul of its Funding for Lending scheme that would scale back stimulus to the housing sector, a move seen by many as paving the way for a shift away from ultra-loose monetary policy.

But there was no getting away from the fact that the Fed's policy stance will be the biggest influence on global markets. While US data releases this week were mostly encouraging, the key is likely to be next week's November jobs report.

"We anticipate a gain of 180,000 in payrolls, which could just be enough to persuade the Fed to begin tapering its asset purchases later in December," said Paul Ashworth at Capital Economics.

But government bonds showed relatively little concern about such a prospect at this stage, with US and German debt holding within well-established ranges. The yield on the 10-year US Treasury was up 1 basis point on Friday at 2.74 per cent, down just 1bp over the week. The Bund yield slipped 1bp on the day and was down 5bp on the week at 1.69 per cent.

Gold rallied off a four-month low of $1,227 an ounce hit at the start of the week. The metal on Friday rose $8 to $1,251, a $7 rise over the five-day period.

In industrial commodities, Brent sank as much as $3 a barrel on Monday in response to Tehran's nuclear deal. But it very quickly recovered and on Friday was trading at $110.71, down 15 cents on the day and just 34 cents on the week.

Copper rose 0.5 per cent in London on Friday to $7,055 a tonne, but fell 0.6 per cent over the week and 2.7 per cent over the month.

I remember it was a Friday night," says Jeremy Ashbee on receiving the news that would make him question his attitude towards his profession more than any case he had previously encountered. "I remember that clearly because it ruined my weekend."

It is not, on the face of it, the kind of news that would have many of us hurtling towards anxiety and self-doubt. The phone call came last year from the restorers of Kenwood House, Robert Adam's masterly neoclassical villa on the edge of London's Hampstead Heath, which was freshly reopened to the public on Thursday after a £5.95m refurbishment.

The restorers had been working on the gilding in the house's library, long regarded as one of the jewels of 18th-century English architecture. There was "bucket loads" of it, recalls Ashbee, all over the column capitals and elegant reliefs, giving the room its distinguished and distinctive character. The only problem was that it didn't seem to be original.

The call that caused Ashbee such distress informed him they had found a layer of white lead paint under the gilding. More importantly, there was a thin film of dirt between paint and gilding. This showed that the extra layer of decoration had been added decades after Adam's original room had been unveiled, to great acclaim, in front of Kenwood's owner William Murray, 1st Earl of Mansfield, in the 1760s.

"We have got to have a meeting," Ashbee remembers telling his caller. If you are head curator of historic properties for English Heritage, such discoveries entail difficult decisions - in this case, one that would determine how

Kenwood would be perceived by future generations of visitors. The technical challenge of restoring one of London's most notable interiors had just acquired the sharpest of ethical dimensions.

Here was the dilemma: whether to make a radical change in the appearance of the library, in an attempt to evoke its original appearance; or to respect the added decoration that was added soon afterwards ("the late 18th century has a certain sacredness in its own right," says Ashbee softly) and leave things as they were.

The debate that followed, with strong opinions on either side, according to Ashbee, reflected a longstanding controversy over restoration in Britain. Cack-handed attempts to restore things to an imagined pristine condition were sharply criticised by the likes of William Morris in the 19th century, who believed that the layers of amendment evidenced in a place or object were more important than the reproduction of its alleged original ***state***.

I have my own views to declare here. I am one of the very few people - we are widely derided as nutters - who think that the restoration of Michelangelo's Sistine Chapel in the Vatican in the 1980s and 1990s, the most important such project in recent history, proved to be a crushing disappointment, and am happy to be old enough to remember it in its previous ***state***, when the artist's frescoes looked more real, more subtle, and more moving. I am well aware of the arguments that were presented to justify the restoration. But they have been rebutted, with no little ferocity. In the end it comes down to taste.

Which is why one of the most important principles of restoration today is that of reversibility. When Ashbee finally made the decision to go with the plain white version of Adam's library, there was never any question of stripping away the gilding. Instead, yet another layer of white paint was added to it, which could comfortably be removed by future historians, who may decide that the gilding did better justice to the room after all.

Ashbee says the clinching argument was that the room as seen today is a plausible version of what it looked like when Adam first unveiled it to his delighted client. This is partly a technical triumph but also a testament to a greater professional scrupulousness on the part of the restorers.

The very acknowledgment of the decision's difficulty shows an awareness that these issues live and breathe according to the air of the times. Whatever we think, contemporary taste shapes the debate every time it is played out. It is no coincidence that the 1960s restoration of the library provided it with a thick carpet, of the kind that was in our homes of the time too. The carpet has now gone. The bare-wooded floor that we saw this week is an original feature - but it also happens to accord with fashions in interior design.

The result of all the agonising makes a fresh visit to Kenwood essential (for those not in the know, it also houses some extraordinary paintings, among them one of Rembrandt's greatest self-portraits). The library looks lighter, in every sense. Sit in it for a few minutes, and you can hear the ghosts of all those heated domestic discussions, replaying endlessly over the decades: "Darling, I'm not saying I don't like it. But don't you think it is a little too white? I've thought of a new colour scheme . . . " The beholders of beauty, each and every one of them, will always have their say.

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Most of Britain's big energy companies will announce within days that household power bills will rise by less than expected this winter, in return for government reforms to energy levies.

George Osborne is expected to say on Sunday that the government has concluded its review of how to "roll back" green tariffs in a move that could knock some £50 off the typical annual household bill.

The big six energy companies have been engulfed by a public storm after they announced price rises averaging about 8 per cent for the coming year, far in excess of inflation.

The chancellor has made clear that he expects them publicly to promise to limit price rises, in return for his reforms.

"We will pass on any cost savings resulting from a change in government policy to our customers penny for penny, pound for pound," an SSE spokesman said.

Npower said it was still waiting for the full details of the coalition's package, but added: "If the green levies are rolled back, then Npower will cut prices to its customers as soon as possible."

Any such changes will represent a victory for coalition aides and officials. They have been scouring green and social levies looking for a way to restrain price rises, in response to Ed Miliband's promise to freeze energy bills. The Labour leader set the tone of the Westminster agenda this autumn with his pledge.

The main changes will affect Eco - the energy company obligation - a government scheme to insulate homes that is paid for through household bills, and which is expected to cost each dual-fuel customer nearly £100 a year in 2014.

The deadline for the companies to meet their obligations under Eco will be extended from 2015 to 2017, although other targets may be increased.

The Eco will also be "rebalanced" towards cheaper insulation products.

The energy companies' obligation to deal with "hard-to-treat homes" - such as those without cavity walls - would be eased, while targets for replacing or repairing boilers, or carrying out loft insulation in low-income households would be raised.

Also, the Warm Home Discount, which helps the elderly and some "vulnerable" people, will be moved from customer bills into general taxation to save about £12 a year from the typical bill.

Companies have long complained about the obligation to carry out solid wall insulation, which can cost about £10,000 a house.

One industry executive denied that the government had asked companies to freeze prices until 2015.

"It's more like they're saying to us: if we promise not to put your costs up, will you promise not to put your prices up again?" he said. "But at this stage, it's unclear whether we will be able to make that kind of commitment."

EDF Energy recently put up prices by less than its rivals, but only on the condition of changes to the Eco.

If the government's alterations are more modest than the company was hoping for, it could be in the awkward position of having to lift its prices again. "It's a critical question," said a person close to the company. "And it's one we won't be able to answer until we've seen what the cost savings from the changes to Eco are."

If what you want is certainty, words are easier to read than pictures. Photographs containing relevant words often fall short in visual mystery. Viewers naturally decipher a kind of internal caption, and then leave the picture - since they have every reason to think that having "got" the sense through the words, they've "got" the picture.

América Latina: 1960-2013

América Latina 1960-2013 is a magnificent, eye-opening and deeply moving exhibition but it never resolves that problem. There are more words in it than in any exhibition of photographs I have ever seen. Not in captions or accompanying texts, but within the pictures. Almost every body of work included is actively wordy.

There are some images made with other things than words in which the photographic elements are really only illustration (the map-based works of Claudio Perna, for example). There are some texts written directly on the images (as the magnificent calligraphic screams of León Ferrari). There are far more texts found in the environment: graffiti and posters on urban walls, advertising, packaging. There are numbers of "extreme" words: a set of pictures by Rosângela Rennó mining a prison archive for studies of crude tattoos or an extraordinary 1970s video piece in which Letícia Parente made her comment on the commercialisation beginning then to gather pace in her country by stitching the words "Made in Brasil" into her own foot in black thread.

The curators don't identify words-within-the-image as a specifically Latin American style of picture-making, but it is plainly the central current of the exhibition. This imposes a noticeable skew: in an exhibition of dozens of artists working across a very wide register (from performance to interventions in the landscape, to documentary and repurposing existing photographs and so on), made over 50 years across a huge geographical territory, we are invited to see only works in which overtly political or socio-political messages are dominant.

By extension, these are works in which the magical complexity of possible reactions to a photograph is diminished. There are many treatments of photographs here, but in few of them is the photograph itself the locus of wonder or delight. There is no place, for example, for the deeply non-verbal, almost mystical, religious imagery of the Guatemalan artist Luis González Palma. Nor, at the other end of the scale, is there any room for Enrique Metinides, the "Mexican Weegee", whose cataloguing of death and disaster was non-judgmental and non-political.

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The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

> The real subject of the exhibition is violence. The start date chosen for the show - 1960 - is not coincidental. The Cuban revolution against Batista took place in 1959, and Cuba has been the yardstick of a certain kind of radicalism ever since. A frightening map showing revolutions and counter-revolutions accompanies the show.

But violence is not only the overt political violence that seems to drive regime change in Latin America. There is also the violence of need, of the favelas and all the rough conditions associated with them. Or the violence of drugs, or of landholding and landowning abuses. Or the violence of race. There are many varieties of violence in Latin America, and even now, as many of its countries show faster growth and greater prosperity than many in Europe or Asia, that violence still seems close to the lives of the people.

Many of the stories told in this show are horrible. Take the series Gloria Evaporada, by Eduardo Villanes, which ironises savagely on the fact that the Peruvian authorities returned the ashes of the victims of the 1992 Cantuta massacre to their families in cardboard boxes which had contained Gloria evaporated milk. You don't need to speak Spanish to understand the terrible pun. And it is not the pictures which tell the story. A man with his head in a cardboard box labelled Gloria means nothing until we read the facts behind it.

This is a good example of that word-leading element which occurs again and again in this exhibition. The pictures are rarely complete visual communications. They are elements of something else, either powerfully direct like a poster or a headline, or sometimes a more complex amalgam that can only be deciphered with contextual help or a glossary.

It turns out that the Argentine death squads who flew political opponents over the River Plate (during the military dictatorship 1976-83) to dump them alive out at sea consulted ecclesiastical authority to seek confirmation that their method of killing was Christian and non-violent. This is the subject of León Ferrari's work. It's madness, the very stuff of a certain kind of art. In the hands of a Zola or a Balzac, it would make a searing novel. It is in literature that such deep traumas of the continent have been most consistently explored, and a catalogue of stories of this kind make up the exhibition. They burn into the mind even in the comfortable surroundings of a contemporary art space in Paris's 14th arrondissement. Only occasionally, though, are they told in a way rich in photography itself.

A heavily laden family group moves along a pavement in a suburban district. It's not hard to imagine that everything they own is in their hands. They might be peasants, moving into the city as so many millions have done. We see them through the windshield of a police motorcycle, its lettering clearly legible even in reverse. We have, for a moment, authority's point of view. A child of the family turns apprehensively; he knows that he is being watched.

This powerful little picture is less of a poster than many of the works in the show; it's by Pablo Ortiz Monasterio, a highly distinguished photographer, and it really is a photograph, complete within itself. Yet even so, we could not understand it without the seven letters of POLICIA that take up nearly a quarter of the frame.

There's a ton of thinking and reflection and history in this exhibition, which is thoughtfully divided into four meaty and helpful categories (Territory; The City; Informing/Resisting; and Memory & Identity). Some of the artists are very well known (Francis Alÿs, disappointing here, in a few reworked sketches of some of his walking pieces; Graciela Iturbide, not at all disappointing in her gut-wrenching revelation of the daily torture undergone by Frida Kahlo in the corsets and prostheses she had to wear after a road crash in 1925). Yet the general tenor is rough-and-ready: collage, handwritten messages, stencilling, photocopying. It's like a huge student show, with the terrible urgency of the issues getting in the way of coolness. But the driving heat is formidably impressive.

It is a very odd thing, this: a photography exhibition in which photography is itself pretty consistently a secondary element. It takes time to see this show, time spent above all reading. But you come out of it profoundly moved by all those artists, raging in pictures.

América Latina 1960-2013, Fondation Cartier pour l'Art Contemporain, Paris, until April 6 2014

fondation.cartier.com

The Financial Times recently invited four eminent economists to a debate about the outlook for 2014.

This was no ordinary round table. Rather than a moderated discussion about economic technicalities, each panellist was encouraged to come up with the most headline-grabbing, thought-provoking proposition possible, then defend it. The statements may appear improbable, even implausible. But that was the object of the exercise. For most economists, a global banking crisis on the scale of 2008/9 seemed implausible - until it happened.

Stephanie FlandersThe UK will be the fastest-growing country in Europe for at least the next five years

Hélène ReyInternational capital flows are dangerous and should be controlled

Martin WolfThe eurozone will break up, with catastrophic depressions in several nations

Jim O'NeillThe world economy will grow at a faster rate in the next decade than it did in the last one

How to trade the Big IdeasThe experts give their views on forming an investment strategy

The first port I can remember enjoying was a Taylor's 10-year-old tawny in a cloudy green bottle, with a stopper cork and a simple label. It was part of a case that my parents had shipped up to the remote village of Applecross in northwest Scotland for essential evening first aid after August days spent tramping over boggy hills in pouring rain and getting eaten alive on a midge-infested river.

My association of port with extreme weather remains strong. In southeast England I only drink the stuff during that testing period when the light drains out of the sky in mid-afternoon, the cold begins to grip and, in the worst cases, the tennis courts freeze over.

As this British winter sets in, I'm faced with both a dangerous opportunity and an intriguing dilemma. The emptying of the cellar in our former family home at Coleshill means that my small stock of port is lying vulnerably above ground, rather than snugly under it, needing to be consumed sooner rather than later. But which port to drink first?

The choice is first of all between tawny and vintage. To be more technical, this is a choice between wood-matured and bottle-matured port, between wine that has spent most of its life in the slender barrels called pipes, in one of the warehouses or lodges that line the south bank of the river Douro at Gaia opposite the old city of Oporto, and port that has been bottled young and left to age much more slowly under northern skies.

This choice has cultural, historical and sociopolitical dimensions as well as purely aesthetic ones. It could be expressed as a question: is port a Portuguese or a British wine? Port is one of those wines, like red Bordeaux, in whose development British merchants played a key role. Wars with France in the late 17th and early 18th centuries led enterprising British (and Dutch) merchants to search for acceptable wines from their old ally Portugal to replace embargoed French sources. The Methuen treaty of 1703 enshrined low rates of duty on Portuguese wine in return for free entry of English cloth to Portugal.

Almost by chance, the British hit on the sun-baked upper reaches of the Douro as a better source than the sodden Minho, whose wines have always been acid. They were not always at all scrupulous in their dealings with local farmers, as Hugh Johnson relates in his excellent The Story of Wine, sometimes requiring a farmer's daughter in part-exchange for the wine. In 1727, the British merchants founded their association in Oporto at the Factory House, which became a quasi-colonial club. A year after the devastating Lisbon earthquake of 1755, the Marquês de Pombal, as part of his salvage plan for the country, part-nationalised the industry, citing British abuses. The British merchants were infuriated and put up prices. Following the Tipplers' Riots of 1757, 26 members of the Factory House were executed. It turned out to be a temporary setback. British merchants prospered for most of the 19th century, though they had a choppier time in the 20th.

To express this long cultural history in stylistic terms, you could say that firm, masculine, long-lasting vintage, the product of a single exceptional year, was the classic style invented by the British, whereas tawny, more gentle, less aggressive, perhaps more subtle, and usually blended from many different vintages, was the style preferred in Portugal. I love both but on a recent visit to Oporto found myself veering towards a third style. This is colheita, or single-vintage tawny; wine from a single year matured for decades in wood.

The occasion was a charity dinner culminating in the auction of special lots of Graham's colheita 1982, a wine bottled in honour of last month's christening of Prince George, with proceeds to the charity Bagos d'Ouro, which promotes education for disadvantaged children in a region that has remained poor. Wealth has always flown downriver towards Oporto and beyond rather than trickling back to where the grapes grow on steep slopes above the river, needing to be picked by hand and sometimes, even now, trodden by foot.

Before the dinner, at the Graham's lodge in Gaia, which now incorporates a smart restaurant and shop (unthinkable 25 years ago, when the lodges looked unchanged from the 19th century) I tasted a comprehensive range of the company's ports. Though I loved the still youthful, bramble and violet- scented 2007 vintage, the star wine for me was the 1952 colheita, with its concentrated raisiny richness and astonishing freshness and finesse.

Once again cultural reflections mingled with aesthetic ones. Graham's is a company of Scottish heritage, founded by one family of Scots ***entrepreneurs***, then bought by another, the dynamic Symingtons, who now control almost a third of the port business. But the guests and speeches at the dinner, which might once have been Anglo-Saxon in inflection, were almost all Portuguese, and the wine chosen to honour a British prince was in a Portuguese style.

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More columns at ft.com/eyres

Michael Wolf (b1954) is a German photographer based in Hong Kong, whose work chronicles life in megacities. He was raised in the United ***States*** and Canada before returning to study in Germany, and his work reflects something of this outsider status. Wolf's website describes him as using his camera "to reveal the human energy that flows through the contemporary city".

In this series (see slideshow below), 'Small God, Big City', Wolf focuses on one set of small, overlooked objects in Hong Kong: the Earth God shrine, which is often found by the doorways of homes and shops in the city. The notes to Wolf's current exhibition at Shanghai's M97 Gallery explain that "It is hoped that Small God, Big City will provoke deeper thoughts on who we are and what we believe in, in this modern world."

It's surprising how easy it is to open a barrel of prized brandy. Cognac maker Roger Prisset stands in his storehouse next to a barrel promisingly chalked up "1962", and lifts off the wooden stopper with one hand - a tenth of the effort you'd need to uncork a weeknight wine.

He sticks his nose as far as it will go into the barrel, then encourages our little party of cognac tourists, shivering in the damp November chill, to do the same. An instantly warming vapour of sweet, deep honey and cigars shoots into the head.

Prisset does not want an airtight seal: cognac needs to breathe through its oak cask to take on the colour and flavour of the wood. The 1962 smells good but then, he admits, it was an uncommonly good year, and anyway not something he can take credit for. This vintage was made by his father, who like his grandfather, was a cognac master. For really good cognac, you have to wait.

In all there are about 4,000 producers of France's famous spirit but more than 90 per cent of what they make is tankered away for blending at the "big four" cognac houses - Rémy Martin, Hennessy, Courvoisier and Martell. These powerful businesses have successfully chased new markets in the Americas, Singapore and China, pushing global sales of cognac to around EUR2.35bn last year, according to the Bureau National Interprofessionnel du Cognac. What the independents ***keep*** behind, they sell under their own labels, taking a tiny 2 per cent of the market.

I'm here to try a new weekend tour of independent cognac makers such as Prisset, something started this month by Nick Brimblecombe, an Englishman who runs the Logis du Paradis, a boutique hotel 20km south of the town of Cognac. It's surrounded by Grande Champagne, an area of villages and valleys that is the premier cru, the most prestigious, in the Cognac region.

The trip begins on Friday evening at Bordeaux airport, where a 7ft claret bottle by the luggage carousel announces the good life just as clearly as Brimblecombe's generous frame. Over the next two days we will taste more than 20 cognacs, attend a workshop on blending and visit four independent producers.

Brimblecombe (he books as "Monsieur Nicholas" at local restaurants to spare the French pronunciation) and his wife Sally moved here from the UK in 2005 when they bought a then crumbling heap of 18th-century buildings in the hamlet of La Magdeleine. Set around a large courtyard, the estate includes an old cognac distillery (its copper stills now polished up around a bar), cellar-turned-garage for his vintage cars, three cottages and a main house shaded prettily by lime trees. The Brimblecombes' spaniel, Bramble, ***keeps*** watch in the courtyard for something to happen, though as in so many French provincial outposts, nothing much does.

Winter is the ideal time to visit, and not simply to stock up on Christmas supplies or to test the drink's warming properties. With the grape harvest complete, the copper stills in the distilleries are lit (with gas these days, rather than coke) in November and ***kept*** alight until March, meaning visitors can see cognac production in process. It begins with the simple, low alcohol white wine (largely made of ugni blanc grapes), which is distilled in solid, handmade copper stills to make "brouillis". A second distillation, called la bonne chauffe, is when the floral notes of the terroir are supposed to be coaxed forward, and the clear eau de vie that results is transferred to French oak barrels for ageing.

On Saturday morning in sleepy Jarnac, François Mitterrand's birthplace on the banks of La Charente, we visit the Tiffon/Braastad distillery (it uses the latter name in Scandinavian markets), where 10 stills are at work, a medium-sized operation. We begin in a warehouse by the riverfront next to a giant cask holding cognac more than 100 years old. It is left untouched - it can only increase in value.

After propping up the bar in the tasting room, where a succession of ever darker, ever older cognacs is poured, we drive on upstream, through the rolling valleys to lunch in Saint-Simon. We pass châteaux, fields of sunflowers and staves of Limousin oak drying in the sunshine (only particular forests can be used for cognac coopering). It's a pretty, pastoral scene but soon we begin to notice the pale Charentais brick walls and terracotta roofs of many of the cognac storehouses, or chais, are stained sooty black, making them look burnt and abandoned.

In fact, the black marks are proud signs of the cognac makers' industry: as the drink ages, some evaporates - la part des anges or the angels' share - which feeds a fungus that thrives on the walls and turns them black.

Saint-Simon is the village where the gabarres, the flat-bottomed barges that used to transport the cognac barrels, were manufactured.

After a simple lunch at the local café (much-needed after the standing tasting at Tiffon), we move on to visit Patrick and Maria Brillet's Domaine Breuil de Segonzac, an estate that holds a rare "bio organic" certification. Seemingly every cognac producer in the Grande Champagne has an elderly dog guarding their property; here an old Spanish mastiff patrols the beautiful grounds, set around a gorgeous 18th-century house.

The Brillets spent almost a decade turning their cognac and wine fully organic but, even so, still sell most of it to the big four. They also make the classic Cognac aperitif, pineau, a rather syrupy-sweet mix of unfermented grape juice and cognac eau de vie, but nicely done here.

At the back of their modern distillery is its disused 19th-century counterpart: a tiny room crammed with tarnished copper stills with a brick lean-to in the corner, where the distiller would have slept through the night, ***keeping*** the fires going.

Celebrity endorsements and the marketing efforts of the big four have given cognac associations of excess and conspicuous consumption. Jay-Z celebrated his recent Grammy award by drinking D'Ussé cognac from the trophy. Meanwhile, prices have soared - two years ago, a single bottle of Croizet cognac sold for Rmb1m (£101,000) in Shanghai.

"The past four years have been the most prolific in 40 years," says Jacques Denis, another nearby producer. "Small guys are buying nice cars and getting their roofs mended."

Nevertheless, as the afternoon cools and the autumn mists roll in through the woods, the antics of ***high***-rolling rappers seem a long way away, the marketing hype stilled by the sense of centuries-old tradition. It's dark by the time we leave Domaine Breuil de Segonzac, exiting through another cellar that smells of damp earth, mixed with the scent of coffee and honey.

Natalie Whittle was a guest of Grape Escapes (grapeescapes.net), which offers two-night cognac tours at the Logis du Paradis on several dates during the year, from £499 per person, or from £365 per person staying at the Château de l'Yeuse

See Christmas Food & Drink special, FT Weekend Magazine

Mexico

The dynamic Habita Group will open its latest hotel next month, a collection of thatched beach shacks on Mexico's Pacific coast. The Hotel Escondido will be the 13th new property in as many years for the group, which was founded in 2000 and has flourished despite Mexico's drug wars and their impact on tourism. Rather than try to reassure visitors by making its properties look alike, as is the conventional wisdom for chains, Habita's hotels are all unique, with bold design dictated by their location. The Escondido is due to open on December 13 near Puerto Escondido, a popular surfing resort in Oaxaca ***state***. Its 16 guest bungalows (from $195 per night) are right on the beach and each has a private pool. grupohabita.mx

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Bangladesh

More than four decades after its maiden flight, the McDonnell Douglas DC-10 is about to reach the end of the line. Almost 400 of the three-engine aircraft were delivered to airlines around the globe but today, while many are used for cargo, only one passenger DC-10 remains in service. That aircraft, operated by Bangladesh Biman, is due to make its final scheduled flight on December 7, and will be used as a standby aircraft until February, when it makes a last journey from Dhaka to Birmingham in the UK, and then on to a US aviation museum. Enthusiasts are being offered the chance to buy seats on the flight from Dhaka to Birmingham, and on two hour-long round-trip scenic flights from Birmingham. Tickets will be sold on the airline's website from January. biman-airlines.com

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UK

Heston Blumenthal, chef-proprietor of the Michelin three-star Fat Duck in Bray, is to open a new restaurant at Heathrow. The 443 sq metre restaurant will be in the new, £2.5bn Terminal 2, which is due for completion in June 2014. Blumenthal will showcase "his pride of all things British, including our much loved, familiar dishes", according to a press release. Specialities will include pizza.

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US

Rancho Valencia, a Relais & Châteaux spa resort in San Diego, California, is running a new year "performance camp" for cyclists. The programme, which costs $10,000 per person and runs from January 23-29, includes five days of riding with professionals Christian Vande Velde and George Hincapie, who has competed in more Tours de France than any other rider (though he has since admitted using performance-enhancing drugs). The camp, limited to a dozen riders, includes massages and dinners with the pros. ranchovalencia.com

In one of only three photographs that exist of me before I was 10, I am wearing a red velvet dress with short sleeves and three small pearl buttons, one slightly chipped. It's a school photograph, and the background is sky blue; the red is deep and slightly faded, maybe a tiny bit Velázquez-y. I have a wry expression, a bit jolly, a bit reserved. I'm six-ish. Life is complicated but not unpleasant.

If I were a dress, I think I would be that dress. It sums up something important about me. It was on the invitation to my 30th birthday with the words "THWACK! Susie hits Thirty." It was reproduced in a memoir I wrote some years ago, next to a picture of Dorothy relaxing between takes, with Toto, on the set of The Wizard of Oz.

It is one of three important childhood dresses, the other two being a 1950s cotton summer dress printed with pictures of gift-wrapped parcels, and a dark green wool dress with embroidered lazy daisies at the neck that my mother made me to receive my cycling proficiency certificate at Islington town hall.

But the red dress is the main event. It's dignified. It tries to show a polished front. It tells a story.

So you can imagine my surprise when I went to give a talk at a local girls' school today and was told by the librarian, who had invited me, that she used to live next door to us when I was small and that my mother had once given her a red velvet dress which I had grown out of, for her own daughter. It had become a firm friend, this hand-me-down. They have a favourite family photograph of her daughter wearing it, she told me.

It was a strange piece of information to receive. Did it make this important, era-defining dress less mine, somehow? Was there a precious doubling evident in this coincidence or was it what Phillip Larkin would have termed a "dilution"? It was a bit like the feeling I had two weeks ago when a woman walked into a party wearing the same dark teal (which reads as navy) shift, printed with white squares (that read as polka dots), as I was wearing. It didn't feel ideal, but there was nothing to be done but to shrug and grin. (Grug or shrin).

I phoned my mother later on about the red dress, but she did not remember any more details.

"Where did you find that dress anyway?" I asked, with a nose for a good tale.

"I don't know. In a jumble sale, probably." She was using the brisk telephone manner of someone who is trying to complete a painting of the last leaves glimpsed from her window before they crisp and blow off the trees, so I did not press her further.

The schoolgirls I talked to were fresh and lovely and engaged. It was only halfway through the event that I realised I was unwittingly sporting 80 per cent of their school uniform: a navy kilted skirt and a navy cardigan. My navy mac was folded neatly over the back of my chair. Add a pale yellow shirt, and might I have almost passed as a sixth former? It was a thrilling thought. "Well, perhaps to someone with severely limited vision," I answered myself tartly. (Of course, the sixth formers wear their own clothes anyway, just to make the matter utterly clear.)

Perhaps my unconscious uniform matching could be seen as an attempt at courtesy. My godmother often used to take on the accent of the person she was speaking to, very, very, subtly, and this always struck me as the height of politeness. It was considered charming but it was a risky strategy.

I talked to the schoolgirls about my life and my work. We touched on fashion writing, a subject that interested some of them greatly. I said that my thinking about fashion hinged on the fact that I liked my own clothes to communicate quite clearly that anything that has ever gone wrong in my life - well, none of it was my fault.

Later on, I mentioned my early love of the stage and everything to do with it, and how happy I am that a book I wrote some years ago will soon be a play. "You must be in it!' they said, which went down very well with me.

It was a day of outfits twinned and recreated, for in the evening on the way to a friend's book launch, still in my uniform, I caused some mirth in the Dover Street Acne store. I went upstairs and tried on a slightly A-line wool knee-length skirt and a matching, single-breasted A-line wool coat. Putting on something so reminiscent of a district nurse in this temple of cool was a strange sensation. The outfit worked well, and I did feel a little stab of delight, so it's not surprising that it took about a minute for it to sink in that in almost every respect it was exactly the same as the one I was wearing.

"Well, you know what you like," the assistant said approvingly.

We agreed their coat would be fractionally warmer than the one I had on, being made of a medium-weight felt rather than wool gaberdine, but we both knew we were splitting fashion hairs.

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More columns atft.com/boyt

Vanessa Friedman's column returns on December 14

Apple fades in race to conquer TV

This time, we're told, it's finally going to happen. From December 15, direct ***high***-speed trains will link Paris and Barcelona. They will travel at up to 320kph (199mph), completing the trip to the Catalan capital in six hours 17 minutes - the existing direct train takes almost 12 hours.

There have been several false starts along the way. Rumours that TGVs (trains à grande vitesse) would reach Barcelona in April, and then in October, came and went, amid suggestions that the delay was as much political as technical. The Paris-Barcelona service will be run jointly by SNCF (France's ***state***-owned operator) and Renfe (Spain's equivalent) but both sides have been suspicious of the other's ambitions to extend services and competition on their home soil.

But with political concerns set aside and technical problems solved, from mid-December a sleek double-deck TGV Duplex will leave Gare de Lyon for Barcelona initially twice a day at 7.15am and 2.07pm, with fares likely to start at EUR59 each way. From March 31 next year, two more departures (at 10.07am and 4.07pm) will be added.

The link makes the concept of an airline-rivalling European ***high***-speed rail network seem increasingly realistic. Including transport from city centre to airport, and allowing time for check-in and security, flying from Paris to Barcelona takes about five hours. From 2017, the case for rail with be strengthened further when a new section of ***high***-speed line from Nîmes to Montpellier cuts the journey to about five hours 45 minutes.

As of next month, British travellers will be able to leave London by Eurostar at 9.17am to connect with the afternoon TGV from Paris, although an earlier Eurostar at 7.55am allows for a leisurely lunch at Gare de Lyon's celebrated Train Bleu restaurant. You can down the half bottle of red included with the set lunch (plus the liberal quantity of Martinique rum in which the rum baba is doused), safe in the knowledge that your train leaves from a platform 100 metres from the table.

There is no check-in; passengers can wait until a minute or two before departure before stepping on board. Choose an upper-deck seat for the ***best*** views; there are tables for four for families while a first class table for two is ideal for couples. After easing out of Gare de Lyon and threading its way through the Paris suburbs, the train will gather pace, taking the Rhone Valley ***high***-speed line, bypassing Lyon and gliding past pretty French villages. The maximum speed here is 300kph (186mph) - not too fast to appreciate rural France.

The train will stop briefly at Valence and then turn west near Avignon, ***slowing*** to call at Nîmes and Montpellier. Between Narbonne and Perpignan it will flirt with the Mediterranean coastline, crossing causeways over several lakes, where vast flocks of flamingos seem unperturbed by the passing trains. Beyond Perpignan the TGV will join the new ***high***-speed line and you will feel a slight push back into your seat - though not enough to spill your vin rouge - as it accelerates to maximum speed. It will call briefly at Figueres Vilafant (a short walk from the fabulous Salvador Dalí museum), then continue to Girona before rolling into Barcelona's bright and modern Sants station just after 8.30pm. Breakfast in London, lunch in Paris, dinner in Barcelona.

The author is the founder of the rail website seat61.com. Tickets for the direct Paris-Barcelona trains are now on sale, with Rail Europe (raileurope.co.uk), Loco2 (loco2.com) and Capitainetrain (capitainetrain.com)

Pablo Helguera is an artist, author and educator with a particular interest in socially engaged art. Born in Mexico City in 1971, he is based in New York, where, alongside his art practice, he is director of adult and academic programmes at the Museum of Modern Art. His most recent project is Librería Donceles, a Spanish-language used bookstore that will be on show at CIFO (Cisneros Fontanals Art Foundation) in Miami from December 4.

How did the Librería Donceles come about?

It began from the realisation that in New York City there are 2m Spanish speakers, nearly a quarter of the entire population, and there are no Spanish-only bookstores in Manhattan and no used Spanish bookstores anywhere in New York.

Why is it important to have such a bookshop?

Books are critical in cultural mobility and education. A used book is also a powerful vessel because of its ownership history. Each book in the bookstore has an Ex-Libris with the name of the previous owner to create a connection with the next reader.

How did you go about it?

We went to Mexico City, where I promised a small piece of my work in exchange for every 60 books. Soon we had 25,000!

Originally, you set up the bookstore in your gallery in Manhattan. How was it received?

The idea of the bookstore is that it is itinerant; while we were in that location we also went to book fairs like the Latino book fair in Harlem. We generated interest from a wide spectrum of people - from literature students to Dominican poets. I organised weekly social gatherings, or tertulias: readings, discussions, music, and many other kinds of programmes.

After Miami, you take it to downtown Phoenix, Arizona. Why there?

Arizona is perhaps the place where the conservative, anti-immigration push is felt strongest in the US. A third of the population of Arizona is Latino; there is a pushback to repress the presence of the culture that comes with it. In Tucson, for example, the ***state*** threatened to defund the school system if it continued teaching ethnic studies - thanks to pressure from the Tea Party.

We are going to open in a location that used to be a Borders bookstore. It is very important for us to be on a street-level storefront, as Librería Donceles must allow full public access to anyone in the city.

The Librería Donceles is an example of the socially engaged art which is increasingly practised by contemporary artists today. What do you think is behind this phenomenon?

In part, it is a pushback against the incredible growth in the power of the art market over the past two decades. I believe that a lot of artists today are rejecting the idea that one must depend exclusively on the market. Additionally, there is great interest in making work that has relevance in social spheres outside museums, biennials and galleries.

December 4-February 23 2014, cifo.org

I am less than gracious when a dawn alarm tugs me from my bed on a Saturday morning to watch the first part of Al Araba Al Madfuna, the artist Wael Shawky's latest film. But an interview with Shawky at 10am makes the viewing essential.

Grumpily, I press "play", and the Nile glides across the screen in monochrome. The scene cuts to a dark chamber peopled by children dressed as men. As one digs a hole in the floor, the others tell the story of a community who, on the advice of their dying leaders, devote themselves to the worship of various animals until they mutate into hybrids. A parable warning us of the perils of blind faith, it enraptures through the musical voices (which are adult); the solemn conviction on the children's faces; and the equilibrium of the images as they shift between the airless cave and the ancient river.

The fact that, by the end, my imagination feels renewed owes much to Shawky's gifts as a storyteller. Nevertheless, that is just the tip of a far more complex vision. "You are watching one story but you are hearing another story. You are watching a kid but you are hearing a man, so you are focusing on two systems simultaneously," he tells me as we sit in the lobby of his Marylebone hotel, sipping coffee from paper cups.

The tale of the hybrid villagers was originally a story by the late Egyptian writer Mohamed Mustagab. It is typical of Shawky to layer one imaginative gesture on to another so the spectator is left enlightened yet giddy by the pyramid of shifting expressions.

This vertiginous vision has propelled him to the peak of the contemporary art world. The recipient of numerous awards, including the Sharjah Biennial prize this year, he has had solo shows at the KW Contemporary Art Institute in Berlin and the Walker Art Centre, Minneapolis. Now it is London's turn: his new exhibition, Wael Shawky: al-Qurban, opened this week at the Serpentine Gallery.

Shawky was born in Alexandria, Egypt, but spent his youth in Mecca, where his father worked as an engineer. "I think I was making all the drawings for every activity in the whole school," he remembers, laughing. Now 42, today dressed in a casual blue T-shirt and jeans, his easygoing manner and ready smile ensure that he retains a light-hearted, youthful air.

From the first, he possessed a subtlety of mind. Traumatised by his return to Alexandria when he was 13, he entered a "very turbulent" adolescent crisis. Solace came at 17, when he enrolled at the city's Academy of Fine Arts. "From that moment, I don't think I was thinking of anything else [except art]."

Lessons at the academy were "mainly drawing and painting", he recalls. Other than the groundbreaking work being done at Cairo's non-profit Townhouse Gallery - which gave Shawky several early solo shows - Egypt had almost no contemporary art scene. His awakening occurred on a trip to Madrid, where he saw Bill Viola's videos at the Reina Sofia museum. "It was really, really great." He pauses. "I hadn't seen anything like that in Egypt at all."

He started to visit New York every summer. Soon, a crucial influence was Joseph Beuys. "Oh my God, yes. That was the man," he breathes. "The idea that the material itself became a vehicle for human belief was very important for me," he continues, citing Beuys' custom of making installations out of fat which, according to his own self-mythology, had saved him when he was shot down as a pilot in the second world war.

"In order for you to receive any information from this cube of fat, for example, you had to believe in its chemical content. For me this is a bit religious. It is [similar] to when you look at the Koran or the Bible. It's a book which is sacred as it is, even if you don't open it, because you believe in its chemical content."

A flair for expressing the flawed, contradictory processes by which we arrive at faith and knowledge is the bedrock of Shawky's vision. As a young artist, he made installations out of asphalt to reflect his childhood in Mecca - to "understand the relationship between me and my family and Saudi Arabia, which had discovered oil and the British and American oil companies were arriving. All the modernity that I lived in the 1970s in Saudi Arabia [was] based on this western arrival. The asphalt was a metaphor for oil, of course."

Paradoxically, his gift for deconstruction hinges on his feeling for old-fashioned narrative. The work that catapulted him to the world's attention was Cabaret Crusades, a two-part film in which marionettes act out the medieval struggle for control over the Middle East. A spine-tingling anti-epic, it leaves viewers appalled by the carnage yet riveted by Shawky's meticulous mapping of the era's Byzantine twists and turns. "I had to do a lot of research," he agrees. A crucial source was The Crusades Through Arab Eyes (1984), a history of the period by the Lebanese-French writer Amin Maalouf. "It shows you that history can be told from a different angle ... from the Arab side."

His new two-part film, Al Araba Al Madfuna, is also grounded in his fascination with the way that the stories we tell ourselves - uncertain, mutable, contingent - evolve into unquestioned beliefs. Its seeds were sown more than 10 years ago when a friend invited Shawky to witness a ritual in a village in upper Egypt. There, he explains, there is a ritual of digging through the floors of homes in the hope of discovering buried Pharaonic treasure. "But it is impossible to discover a tomb unless you break the spells of the Pharoahs that act as protection on the door of the chamber." Night after night he watched as his friend, who works as a medium, engaged in his dialogue "with something like ghosts".

What fascinated him was the dichotomy between the means and the end. "They use a metaphysical system, magic essentially, to reach a material, physical system: gold."

The second part of the film, which premieres this week at the Serpentine, turns on a rumour. "It's set outdoors and you see one group of kids going to another group of kids spreading this story."

Like the first film, the tale the children are telling was written by Mustagab. Entitled The Offering, it centres on a village of traders who, suddenly afflicted by muteness, transform themselves into entertainers who clap at parties. When a man comes to restore their voices, he disappears mysteriously. "Perhaps the villagers killed them because they didn't want to lose the clapping."

Given the tortuous history of Shawky's own region and the nature of his interests - social transformation, the nature of faith, power and communication, the way our collective fantasies can tip into psychosis - how does he succeed in making work which is profoundly relevant to its political moment yet also sufficient unto itself?

"I try as much as I can not to react to current political events," he says. "You can't expect a revolution to happen today. I [may] be making a film about the revolution [tomorrow]: that's changeable. Yes, the revolution will happen and we will support the army now, and the second day the army will cheat on you. You will change your mind after you made the film; this is not art, it is just reactionary activity. Art must be much bigger than this."

We have been talking for two hours and Shawky has a plane to catch, yet he never glances at his watch or mobile phone. That lucid, scrupulous commitment to presence is the key to his art's power. It is what compelled him to, for example, track down a particular radood - a Shia religious singer - to play the part of Ibn al-Khashshab, an important Shia leader with a role in Cabaret Crusades. "I did think: why am I being that precise? Perhaps nobody will notice the radood." He pauses. "But it's internal."

Serpentine Gallery, London, to February 9. serpentinegalleries.org Lisson Gallery, London, January 31-March 8 2014. lissongallery.com

Zack Snyder, 2013

Warner

Zack Snyder's reboot of the Superman franchise attempts to correct the ***high*** camp theatrics of the Christopher Reeve era, but overcompensates wildly.

Yes, the effects are impressively realised, but a distinguished cast, led by Russell Crowe and Amy Adams, are prevented from developing their characters by the surfeit of bombast. Henry Cavill as the protagonist flexes some serious muscle, but we long to hear the odd wisecrack. It is all so terribly earnest and po-faced: there is more fun in a Ring cycle.

Michael Cimino, 1980

Second Sight

Michael Cimino's once-woebegone Western emerges battle-scarred but finally restored to its original cut - all 216 glorious minutes of it.

Yes, it was over-budget, overlong and nearly bankrupted a studio, but the film itself is boldly novelistic in scope, beautifully played by its leads, Kris Kristofferson, Isabelle Huppert and Christopher Walken, and its brutal depiction of what it means to be poor in America still resonates in the age of Obama. But above all it is a thing of beauty, Vilmos Zsigmond's luminous and painterly cinematography outshining all else.

Declan Lowney, 2013

Studiocanal

Partridge-fanciers' hearts will leap as Norfolk's own man of steel makes his big-screen debut. Alpha Papa sees DJ Alan flung from the ***high***-stakes arena of local radio to the life-or-death straits of an armed hostage crisis.

When an axed fellow DJ goes postal, Alan must find his inner action hero in a Terry-Wogan-meets-Steven-Seagal scenario. Wisely, Coogan, Iannucci and co have opted for the suitably sitcom-like setting of a radio station. And there's still time for anecdotes about motorway service stations and supermarket checkouts amid the guts and glory.

Petrolheads have a fetish about engine capacity. With yacht owners it's the length of their boat. When it comes to chocolate, the boasting metric is the percentage of cocoa solids. Reasonable milk chocolate should come in above 40 per cent. Dark, plain chocolate wants to be comfortably ***higher*** than 60 per cent.

But to get your Christmas kicks from the cocoa bean this year you might be looking for something more darkly challenging, even plain aggressive. In this sampling of eight chocolate hampers there were some individual products to feed even the most extreme habit. Mast Brothers' Madagascar Dark Chocolate (72 per cent) was adult and complex; Duffy's Panama Dark Chocolate (also 72 per cent) was smoothly assertive; and topping these was The Grenada Chocolate Company Organic Dark Chocolate at 82 per cent. Its flavour can ***best*** be likened to chewing tobacco that's been soaked in barrel-proof rum. And, as we shall discover, it was sourced for the winning hamper.

Three of our regulars were up for this task. The Discerning Litigator (DL), the Gourmet Celeb (GC) and the Gluttonous Pig (GP), who prudently prepared himself for the ordeal by taking an antacid tablet before he started. We also wanted a certified chocoholic - in all, we had to try about 85 products, from chocolate figs to salted caramels and from popcorn to cinnamon-sugared drinking chocolate. The FT found the perfect candidate: Jennifer Earle (JE) - the proprietor of London's Chocolate Ecstasy Tours, co-founder of worldchocolateguide.com and chief taster for Cocoa Runners, which sources artisan chocolate bars from around the world. She has an encyclopedic knowledge of chocolate products and has been an addict of the dark stuff since her early teens. When asked why, her answer is disarmingly simple: "It makes me happy."

It emerged fairly swiftly that three of the hampers were out in front in terms of variety and quality. But first, some other highlights. Melt's Brown Hamper (£70, meltchocolates.com) included an attractive hot-chocolate kit: one cylinder of dark-chocolate buttons (70 per cent cocoa solids) and another of cinnamon sugar.

The two together produced an agreeable cup of drinking chocolate: "seductively mulled" (GP). Its raspberry and tarragon-flavoured white chocolate was enterprising but more of an acquired taste.

Brindisa assembled El Azucar, a box of "sweet Spanish delights" (£49.95, brindisa.com), the ***high*** point of which was a box of chocolate-covered dried figs - Rabitos Royale Bombón de Higo: "good for sharing but a pity the chocolate casing is only 54 per cent"(JE). It also threw in a bottle of Don José Oloroso sherry. A darker, richer version would have matched the confectionery even better - this one was bordering on the lighter Palo Cortado style.

Harrods sent a traditionally packaged Celebration of Chocolate (£125, harrods.com), which we enjoyed but found a trifle conservative. Oaks Hampers' Chocolate Box (£35, oakshampers.com) included two imaginative ideas: Joe & Seph's Gourmet Popcorn with Caramel and Belgian Chocolate - "like crunchy, creamy bubbles"(DL) - and Love Jam, a raspberry and chocolate emulsion with a number of implied uses - "sharp fruit tang with rich chocolatey flavour . . . for sharing and spreading"(GP). Finally, Partridges' Chocolate Hamper (£110, partridges.co.uk) included a bottle of own-label champagne and a tin of Huntley & Palmers Chocolate Olivers, which, it emerged, the panel had a collective weakness for.

Now, for the two runners-up. Paul A Young's Ultimate Chocolate Lovers Hamper (£142, paulayoung.co.uk) offered the 72 per cent Madagascar Dark Chocolate bar already mentioned ("bliss" - GC). There were also Mixed Pavés - squares of white, milk and plain chocolate impregnated with lovely spices ("for the connoisseur" - JE), a chocolate bar with Marmite in the centre ("salted caramel with attitude" - GP) and a jar of pure salted caramel. The other recommended box, a Deluxe Christmas Hamper from William Curley (£150, williamcurley.com), contained delicious if slightly leaky salted caramel chocolates and classy truffles ("serious, X-rated" - GC; "sophisticated" - DL).

Our winning Christmas hamper, though, in front for appeal, choice, flair and indulgence, came from Chococo - the Purbeck Chocolate Company. Its box of chocolates caused a sharp intake of breath when opened. As well as being eaten, it could well be mounted in an art gallery, with its riot of colour and design, from vivid green pistachio to gold fretwork to floral transfers. These visuals were allied to precise flavours and A1 cocoa: "a beautiful, fantastic assortment" (JE). There was also a Mini Marble Cake Yule Log with chewy cherries and raisins and some shrewd offerings for younger scoffers: a conical Christmas tree, a honeycombed chocolate star on a stick and a Venezuelan chocolate penguin: "mouth-watering kids' treats, definitely not to be eaten all in one go" (GC). Chococo's distinctive, colourful "Battenburg" packaging also appealed to the aesthetes among us - "superb-looking product" (DL). And the selection was full of wit (small chocolates designed like Xmas puds with sugar holly) and vigour (that Grenadian 82 percenter lying like an unexploded bomb at the bottom). Congratulations to Chococo.

We asked our panel one more question: of the 85 products offered up, which single one is your must-have favourite? The Gluttonous Pig, wiping his ample, choco-stained jowls, opted for Chococo's Dark Chocolate-Covered Colombian Roasted Coffee Beans: "sensationally well-roasted beans for a crunchy mocha explosion in the mouth". The Gourmet Celeb chose the Mast Brothers' 72 per cent Madagascar Dark Chocolate (also offered by Paul A Young). And both the Discerning Litigator and Jennifer Earle fingered Chococo's stunning chocolate selection.

A happy choco-Xmas to you all.

Jennifer Earle's Chocolate Ecstasy Tours; chocolateecstasytours.com

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The winner

Luxury Festive Hamper by Chococo - "out in front for appeal, choice, flair, indulgence"; £99, chococo.co.uk

The most impressive, and unexpected, display of contemporary art you're ever likely to see - if you're prepared to undertake the journey to reach it - is just outside a remote town in rural Brazil. A few miles from Brumadinho in the southwestern ***state*** of Minas Gerais, the mining tycoon Bernardo Paz has spent the past 15 years building an art park and nature reserve called Inhotim in 3,000 acres of forest and farmland. There are career-defining works here by some of the greatest artists of our age, from the Americans Matthew Barney and Chris Burden to the Canadian duo Janet Cardiff and George Bures Miller, the Colombian sculptor Doris Salcedo, the Japanese artist Yayoi Kusama, the Italian Giuseppe Penone, and many others.

What Paz and his team of curators have created here must rank among the most ambitious and original contemporary art museums ever conceived. There is no single, monolithic building designed by a famous architect of the kind favoured by most institutions across the world. Instead there are 22 galleries scattered in the vast, immaculately manicured landscape, which are connected via stone paths meandering through lush vegetation.

Some of these buildings are perched on the edge of emerald-green artificial lakes, others are hidden in the forest or positioned on top of steep hills with imposing views of the surrounding region. A further 22 outdoor sculptures are dotted throughout the site. So a visit to Inhotim is part gallery visit and part nature hike, a combination that is surprisingly successful.

"Most museums are places where people go for an hour or two before reaching a ***state*** of fatigue," says Allan Schwartzman, the New York-based art adviser who serves as chief curator at Inhotim. "Most people come to Inhotim for a full day and tend to leave refreshed rather than exhausted."

So who is the man behind this radically new approach to showing art? I meet Bernardo Paz in a discreet office building at the heart of the immense site. With his shoulder-length grey hair, white beard and flowing linen clothing, Paz, 63, looks like an ageing hippy. He speaks quickly in broken English, chain-smoking menthol cigarettes as he talks. Inhotim, he says, is "for the future, for eternity. It will be here 1,000 years."

Since stepping down from active management of his mining company, Itaminas, more than a decade ago, Paz has lived with a singular obsession: to create a place that will become known throughout the world for the excellence of its displays and programming. Although Inhotim is already enormous - altogether its pavilions contain about 115,000 sq ft of exhibition space, making them roughly one-third larger than the galleries at Tate Modern in London - it is going to get much bigger, and fast. Paz hopes there will eventually be 40 pavilions and galleries on the site, as well as many new outdoor sculptures. A hotel with 80 bedrooms and a luxury spa is under construction and will open next summer, the first of several at various price levels Paz wants to build here. When the site reaches its full expansion "it will take 10 or 12 days for you to see everything," he says.

Paz talks of launching theatre and film festivals and plans for a biennial think-tank devoted to tackling the global challenges of our day, such as climate change. "My goal is to bring here every two years the 10 ***best*** thinkers in the world," he says. These initiatives are all part of a scheme to make Inhotim financially sustainable for the future - it currently takes $18m a year just to ***keep*** it running, and this excludes the cost of new building. Much of this money comes from Paz, who is worth some $817m, according to Forbes, a fortune made by selling iron ore to China. He intends to spend all of it on Inhotim. "I don't believe in giving money to children after you die," explains Paz, who has seven children, scattered throughout the world from Germany to Hawaii, from six marriages. "I told them [when] I die, they will have nothing . . . They understand, they know this is my life and my vision."

He first became interested in art through his friendships with Brazilian artists such as Tunga and Cildo Meireles, who both have pavilions showing their work at Inhotim. A recently opened 30,000 sq ft gallery devoted to Tunga includes several signature pieces from throughout his career and amounts to a permanent retrospective exhibition that is unlikely ever to be bettered. Meireles too is represented here by some of his most important works, such as "Red Shift", conceived in 1967 and consisting of a series of interlinked rooms where all the furniture, fittings and decorations are red. A version of this installation was the centrepiece of Tate Modern's 2008 Meireles exhibition.

The premise behind these displays is simple: in every instance the curators aim either to choose an artist's ***best*** existing work, to commission him or her to create a new, site-specific project, or to realise a project that has hitherto been impossible to create. "We want the most amazing works to be realised there," says Schwartzmann. The American artist Doug Aitken is a case in point. He is represented at Inhotim by his "Sonic Pavilion", which was completed in 2009 and consists of a circular building on top of a hill with a well at its centre. At its bottom, microphones capture the sounds of the earth, which are then amplified and played live in the gallery above. It was a work the artist had thought about for years before Schwartzmann encouraged him to build it at Inhotim.

New projects currently in the planning or construction phase include the installation of four major pieces by Anish Kapoor. The first of these to open next year, "Shooting into the Corner", will be housed in its own building. It consists of a cannon that fires balls of red wax against a gallery wall, and was included in the artist's exhibition at the Royal Academy in London in 2009. Another work by Kapoor, to be sited outdoors, will be a "slash in the landscape that will extend for a quarter of a mile or longer so it looks like the earth has been cracked open", explains Schwartzmann. "It will be a spatial void that you can't gauge the depth of [and will have] enormous visual impact."

The Scandinavian artist Olafur Eliasson is also working on new projects at Inhotim: one is a building with a lateral slat cutting through it at eye level that shows the horizon, and the other is described by Schwartzmann as a "sculptural version of a sundial", an outdoor installation consisting of a sphere cut into the earth. "As you descend down into it, you look up to see the top of the piece track the sun as it moves in the sky."

Other galleries opening soon will include one devoted to hundreds of photographs of Brazil's indigenous Yanomami tribes taken by the Swiss-born, Brazilian-based Claudia Andujar over the past 50 years, pavilions to house major works by Doris Salcedo, who already has one gallery devoted to her work at Inhotim, and the American land artist Michael Heizer. Meanwhile Robert Irwin is realising a new outdoor sculpture.

Since opening to the public in 2006, Inhotim has welcomed more than 1m visitors, the majority from the surrounding area. Paz is particularly proud of this, as he is of employing about 1,000 staff on the site, many of them locals. "All the poor [young people] from here who before had the dream of becoming a truck driver [now have greater ambitions]," he says. "Inhotim is for all the people."

inhotim.org.br

No new museum is delivered without a certain amount of controversy and pain, and the Pérez Art Museum of Miami-Dade County, or PAMM, which opens its doors to the public on December 4, is no exception. The project's initial director Terence Riley, previously chief curator of architecture and design at the Museum of Modern Art in New York, had already left by 2009. The full $220m budget was tricky to procure in spite of the $100m given to the project by Miami-Dade County with voter approval (Miami's well-established band of local collectors, including the Rubell family and the Margolies, were already happy running their own prestigious private foundations).

And when a particularly large investor - developer Jorge Pérez - ended up with his name over the door in 2011 following a cash-plus-collection donation valued at a reported $35m-$40m, a furious group of trustees saw fit to resign.

Meanwhile, as the horizontal building began to peep above MacArthur Causeway, locals wondered about the suitability of the site: it was perceived to be hunkering down beside the highway (rather than gazing out over Biscayne Bay, which it also does rather well). When Michael E Miller, of the Miami New Times, described the building as "a spaceship from an Orson Welles movie" in August this year, you could feel the fear mounting.

In fact, the elegant, flat-roofed and rather modernist structure would make a lousy spaceship. But if the architects - the Swiss firm of Herzog & de Meuron - have delivered a "futuristic building perched atop concrete stilts" (that's the anxious Mr Miller again), there's probably a good reason for it.

"Hurricanes are a fact in Miami," says senior partner Christine Binswanger when we meet in Herzog & de Meuron's Basel office to talk about the building, whose design and progress she has overseen. "Which is why the building is lifted off the ground. The hot climate and the heavy storms have informed the entire architectural concept."

Parking is neatly hidden away beneath the entry-level 360-degree platform that balances on slender pilotis; the platform is reached, on the bay side, by a lavish flight of steps where visitors can sit and linger, admiring the view across the water. Beneath the canopy, the building is set back to create a generous wrap-around terrace of shade, and from the canopy dangle dense columns of tangling tropical plants. There is nothing here to make you nervous about extraterrestrials.

Binswanger joined Herzog & de Meuron in 1991, and though she would never take the credit for a building - all work is done under the Herzog & de Meuron name - those projects on which she is named as senior architect are noticeably light on their feet. There's the expansive Rehab in Basel, for example, a spinal injury clinic in wood and glass that was completed in 2002. At the Basel Museum of Culture, which reopened in 2010, a complex roof finished in glittering blue/black tiles has just the right amount of joie de vivre to fit in and not fight with its surrounding medieval antecedents. And, back in Miami, there's a mixed-use development based around a parking garage at 1111 Lincoln Road whose open floors have proved so seductive that people have used them for yoga classes and even weddings.

The city's new museum, in spite of its concrete structure, has a surprisingly delicate air. "I was always hoping we could do a building there, with plants and natural ventilation," says Jacques Herzog, who has been visiting Miami since the early 1990s.

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Inside, there is no traditional enfilade: instead, the main galleries are staggered in "a different kind of linear story", says Binswanger, and the continuous windows ***keep*** the outside world looking in. Single-subject project galleries are tightly enclosed boxes, whose oak floors and natural concrete walls make a connection with the building's concrete exterior. "You still feel the main structure," says Binswanger. "We wanted to avoid any sense of cladding. The mix of materials is the same, inside and out." The main galleries will open with an Ai Weiwei retrospective, an installation by British artist Hew Locke and, in deference to its location, a survey of the Cuban artist Amelia Peláez, who died in 1968.

If the building avoids "white cube" clichés, that is in part thanks to Riley, Binswanger says. A trained architect himself, he signed off on the design before his departure and was, she says, "a dream to work with". "He couldn't care less for an icon," she adds. "He wanted something specific - not another neutral space but one that would relate to this city and the particular location."

"Specific" is a word that could sum up the work of Herzog & de Meuron. The practice is responsible for structures as diverse as the Beijing National Stadium (the Bird's Nest), where the massive concrete bowl of the stadium is slung inside an impressive steel superstructure, and Minneapolis's Walker Art Center, where a crystalline box twists through an axis to link the old and the new seamlessly. The firm's repertoire of moves and tools - stacked spaces, organic materials, creative ways with screening, acute observation of what is already there, and long periods of client consultation - leads to a seemingly infinite variety of solutions.

"It's like being a cook," Herzog declares, as he guides me through the firm's headquarters, a cluster of buildings gathered around a couple of courtyards that the architects have occupied since 1984. So artfully distributed are the 300 staff as to make this global enterprise feel cottage-industry cosy. For the record, there are a further 100 in offices around the world. "If you only like to cook one thing, you are lost," says Herzog.

Binswanger is far from lost, though architecture is not the career one might have predicted for her. She grew up in a family-run psychiatric hospital at Kreuzlingen, Switzerland, where her father was director. It had been founded by her grandfather's grandfather. "It was a family business since 1857, way before Freud," she says. "Some people were afraid of the place - Kreuzlingen was a small town." Her grandfather Ludwig was a pioneer of phenomenological psychology (his Dreams and Existence was translated from the German by Michel Foucault). Unenthused by psychiatry or science, she decided to study architecture but with no extended game plan. "It wasn't a career, things happened. That's the biggest beauty, when things evolve," she says.

Binswanger, who will be 50 in July, is one of only two female partners at Herzog & de Meuron (the other, Esther Zumsteg, heads the communications arm). Architecture is still notoriously short of senior women practitioners, especially in the top international firms. "More women finish their architectural studies than men," she says, "but then we lose them. Things seem to have changed in society. They want to marry early, they want to have kids. I was all for the idea of the free woman but you don't find that among the 30- to 40-year-olds."

She herself still lives in the apartment she moved into 25 years ago - "that ugly brick tower with concrete balconies", she says, pointing to a building across the river in Klein Basel that's clearly visible from the office. And her unfettered status, it seems, has not just benefited her career. "You have better friendships if you have no family," she says. "You have more time."

Pérez Art Museum Miami opens on December 8, pamm.org

Sweetheart deals for activist shareholders just may be good deals for ordinary investors, too. Not that Mom and Pop seem to be noticing. Last week, the video games company Take-Two Interactive Software and the home security company ADT arranged to repurchase shares held by activist investors - Carl Icahn at the former and Keith Meister of hedge fund Corvex Management at the latter. Dan Loeb negotiated the same type of deal at Yahoo earlier this year.

Shares in all three companies dropped at least 4 per cent on the news of the buybacks. What is nice for the activists, though, is that these transactions were carried out at the closing price from the previous trading day. Cue howls of protest about preferential treatment. But lost amid the recriminations is the fact that the companies quickly retired large blocks of stock at prices that are likely to have been favourable - an event that will boost earnings per share and so should also help remaining shareholders.

The three companies had hefty buyback programmes already in place. The press releases for ADT and Yahoo indicated that the repurchase of the activists' stock would fall into those authorisations. Perhaps the market had already accounted for the elimination of those shares. However, by taking the activists' investments in a single transaction, the companies probably got a lower price than waiting to buy in the open market, since the prices could be expected to move up over time. Put another way, more stock could be retired for the same dollar cost.

The 12m shares Take-Two - the company behind the Grand Theft Auto series - acquired from Mr Icahn represented a whopping 13 per cent of its stock outstanding. It will be distinct from its existing repurchase programme, which is just 7.5m shares. Yet its price fell 5 per cent anyway. Will management slacken off with Mr Icahn and his three representatives on the board gone? Or perhaps Mr Icahn saw no more low-hanging fruit left to pluck so he jumped ship? Each is a plausible explanation. Still, it is a perverse reaction when Take-Two's forward earnings per share estimate has jumped 11 per cent.

Email the Lex team in confidence at *lex@ft.com*

Since the financial crisis, Britain's politicians have faced a difficult balancing act between preserving the prominence of the City of London and preventing banks from wrecking the economy again. Until recently, the government was confident that its Banking Reform Bill - as approved by the House of Commons last summer - struck a reasonable compromise between these two objectives.

However, a burst of scandals has reignited fears that the draft approved in Britain's lower house lacked teeth. The implosion of the Co-operative Bank has raised new questions over how much capital lenders should be asked to hold. Revelations about the troubling conduct of the Reverend Paul Flowers, Co-op's former chairman, have prompted calls for stricter controls of senior bankers.

When the legislation reached the Lords last week, a group of peers, including the Archbishop of Canterbury, managed to change the regime on both fronts. The government was forced to anticipate a review on whether the Bank of England should have powers to impose a leverage ratio. This is a blunt but important regulatory instrument, which measures how many assets a bank can accumulate on a sliver of equity, irrespective of their riskiness. The Lords also voted to create a "licensing" regime for senior bankers.

Both proposals are sensible. Leverage ratios are an essential companion to other measures of capital requirements which let lenders discount assets they perceive as safer. Even the plainest financial products, such as mortgages, have the potential to bring a bank to its knees. Co-op did not have an investment banking arm, but still suffered from a £1.5bn capital hole.

Any licensing regime should be fair on those vetted. The administrative procedures must not be too burdensome. But an annual review by the regulator will increase the chances of spotting incompetent or reckless professionals before they do damage. Rescuing a bank is expensive. The cost of this scheme would be small change compared to the benefits it could bring.

The Banking Reform Bill returns to the Commons next year for the final imprimatur. It would be wrong to assume the new rules will make Britain resilient to any future shocks. Large chunks of the financial sector - for example shadow banking - are not covered by the bill and will need to be dealt with separately. But for once, MPs and peers deserve praise. Provided it stays in its current form, the new law will go some way in making British banking safer.

Some works of art are made to create a bravura public display; others are intended for private delectation, made on a scale that encourages close inspection and of a material that allows, even insists on their handling and the play of light. Few are more rewarding - or challenging - than the remarkable small-scale bronzes that offer such a tantalising glimpse into the intellectual life of the Renaissance.

The Frick Collection in New York has made a specialism of staging highly focused exhibitions of these works. Whether big monographic retrospectives or displays of superlative private collections, they allow the public the opportunity, previously afforded only to their privileged owners, of getting up close and seeing them outside a vitrine.

At the end of January, the museum will be host to the Renaissance and Baroque bronzes of Janine and J Tomilson Hill. Its core is an exceptional group of statuettes produced by the greatest of all mannerist masters, Giambologna, and his circle, and its 32 pieces extend from Renaissance Italy to embrace the Netherlandish, German and French bronze-casting traditions. What visitors will not see, however, is the extraordinary counterpoint of their setting in the Hills' home against the titans of postwar painting and sculpture. If ever proof were needed that power and monumentality are not dependent on scale, it is here. These bronzes more than hold their own, even against great de Koonings, Bacons and Warhols.

In 1995, when the couple bought the first of their nine Warhols, most from the 1960s - "Campbell's Soup Can (Beef Consommé)" - they also acquired their inaugural bronze: a Hubert Le Sueur "Venus" (c1640) that once belonged to Louis XIV.

The two are not obvious bedfellows, yet the Hills' Manhattan apartment abounds in arresting juxtapositions and unexpected dialogues. Who would expect to find, say, de Kooning's massive and lumpen dehumanised bronze "Clamdigger" confronting a large Bacchic fountain figure by Adriaen de Vries, its face distorted by an exuberantly compelling grotesque mask? On the top of a Louis XVI commode stands the earliest known cast of Giambologna's elegant female personification of "Astronomy" (c1570), the curve of her voluptuous naked thigh playfully echoing the calligraphic chalk doodles of the Cy Twombly "Blackboard" behind. Under Warhol's "Mao" sits Barthélemy Prieur's "Lion Devouring a Doe" (c1583).

In the dining room, a row of six mostly heroic, muscular male nudes, some struggling in mortal combat, are silhouetted against Ed Ruscha's epic, ominous "Seventeenth Century". As Hill writes in his preface to the Frick catalogue, bronze "captures action, tension, emotion. It immortalises a moment." Over the fireplace in the library is a Bacon Pope; inside a niche is the "Hercules and Antaeus" attributed to the 15th-century Florentine Maso

Finiguerra, where the mouth of the vanquished Antaeus is "formed like the scream from a Pollaiuolo painting", as Hill puts it. This is not a comment one could imagine being uttered by many of today's billionaire buyers of Warhols.

Hill takes pains to point out that when he and his wife began buying postwar art, the "entry point" for a Warhol was 5-10 per cent of what it is now. Yet it has been a highly successful career on Wall Street that has funded his pursuit of quality (he is president and chief executive of Blackstone Alternative Asset Management, and a vice-chairman of the Blackstone Group). He is evidently the driving force behind the acquisitions but it is, he insists, "a total collaboration". "I have not bought a single thing without talking through the idea with Janine, and us thinking how it fits into the collection," he says.

What drew him to the rather rarefied world of bronze? He cites countless visits to the Metropolitan Museum of Art and to the Frick - he grew up a few blocks away on Fifth Avenue - and the fact that his mother, Dorothy, 96, is an abstract painter and sculptor in bronze. For Janine Hill, who grew up haunting the museums and galleries not of New York but of Paris, bronzes were familiar territory. Another factor was their friendship with the architect, designer and bronze collector Peter Marino. Hill also liked the fact that these small-scale works had always been the very private preserve of the connoisseur-collectors who acquired them for their studioli or studies: what could be more appropriate for a collection in a family home formed purely for the pleasure of its owners?

Perhaps part of this pleasure also lies in the challenges of this notoriously complex field. Few collectors could match the focus, steely rigour and exacting standards of Tom Hill. He has clearly enjoyed every opportunity to handle and compare different casts and comparable models, sometimes even taking a bronze to a museum or another collector's house for a "play date".

He praises the expertise of Pat Wengraf, who has been his adviser in putting together this collection, yet Hill himself also has the courage - and confidence - to rely on his own eye. "We have never been hung up about buying a bronze because we did not know who made it," says Hill. This skill has paid off: a particular coup was the spirited "Nude Striding Warrior" that turned up in South America and was subsequently identified as being by Willem Danielsz van Tetrode, who had worked with Benvenuto Cellini in Florence and, after his return to the Netherlands, initiated a passion for collecting small bronzes in northern Europe.

Such tours de force as this and Riccio's "Strigil Bearer" (c1515-20) are among the earliest examples here of the "multiples" - at first as few as two or three - that sculptors began to produce after they realised they could fabricate reusable piece-moulds for their sculptures, either of independent works or reductions of monumental pieces. This was commercially appealing, not least as a means of promoting a wider diffusion of their reputation and ideas. Warhol's soup cans, self-portraits, Marilyns, Mao, Lenin and "Electric Chair" are perhaps not so very different after all.

'Renaissance and Baroque Bronzes from the Hill Collection', Frick Collection, New York, January 28-June 15 2014. frick.org

Angela Merkel is facing a chorus of criticism from German business over her putative coalition's economic plans.

Employers groups have been joining forces in accusing the proposed right-left coalition of spurning the opportunity to promote growth-boosting policies, backtracking on previous reforms and burdening the economy with pensions increases and a minimum wage.

"It may not be intentional but they have now cancelled out what has been agreed in recent years to ensure the permanent, solid financing of public pensions," said Ingo Kramer, president of the BDA, the German Employers' Union, in a newspaper interview on Friday.

Mr Kramer singled out for criticism the pensions increases for older mothers, which were boosted at the demand of Ms Merkel's CDU/CSU. The total cost of these pensions - at E6.5bn to E8bn annually - would be E130bn by 2030, he said, speaking to the newspaper Frankfurter Allgemeine Zeitung.

That was more than the savings coming from the earlier hard-fought decision to raise the general retirement age over the next few years to 67, he said.

Mr Kramer also blasted as a "serious mistake" a move pushed by the centre-left SPD to allow workers with 45 years' service to retire early, at 63. These measures, he claimed, would raise labour costs and cut the take-home pay of workers paying social security.

The pensions increases are a key element of the coalition agreement reached on Wednesday. Ms Merkel went into the talks in a commanding position having triumphed in the September election with 41 per cent of the vote.

But SPD leader Sigmar Gabriel, whose party won just 26 per cent, strengthened his hand by promising in advance that any coalition deal would be put to the vote of the SPD's 473,000 members.

The coalition agreement seems to have gone down well with the public. According to a ZDF television poll, 82 per cent of voters approve of the planned minimum wage of E8.50 an hour, while 90 per cent back retirement at 63 for the long-serving and 86 per cent the boost to mothers' pensions.

Only 16 per cent think these plans can be financed without ***higher*** debts and taxes - but with unemployment low and the export-driven economy doing well, voters seem ready to take a chance.

Wolfgang Schäuble, finance minister, defended the coalition plans in an interview with Die Welt newspaper, saying that the burden of the pensions increases was "very limited".

But business leaders are furious that the welfare and labour reforms of the past decade may be compromised.

Eric Schweitzer, president of DIHK, the German chambers of commerce, was quoted in the media on Friday as saying that retirement at 63 sent the wrong signals at a time when "we all must work longer". He added: "The coalition partners are gambling with their projects that ***high*** economic growth will lead to record new tax revenues. But this is not a foregone conclusion."

On Thursday, Ulrich Grillo, president of the BDI, the largest German employers' organisation, delivered an even tougher rebuke to Ms Merkel. "The coalition agreement is a wasted opportunity for Germany's future. It is not a master plan for our country. The signal is stop instead of start."

Mr Grillo said the deal imposed "new stress tests" on business and added that the minimum wage alone threatened "hundreds of thousands of jobs".

North Sea crude oil headed to South Korea at the ***highest*** rate in more than a year this month as the Asian country's refiners have seized on government incentives to import crude from further afield.

Three very large crude carriers (VLCCs) were chartered to load North Sea oil for South Korea in November, according to traders. The aggregate 6m barrels heading to the Asian country will be the most since at least July 2012, according to several market participants.

The South Korean government has put in place incentive schemes to encourage its refiners not to rely on the Middle East for supplies. A free trade agreement limits tax on shipments from Europe, although the terms of that agreement were tightened earlier this year. But under a second scheme introduced more recently, the government reimburses refiners most of the extra cost of shipping crude from sources beyond the Persian Gulf.

Many traders argue that these incentives raise the price of Brent, a blend of four North Sea crude oils, increasing costs for European refiners.

"The Korean arbitrage is back, and that is supporting Brent," said one trader.

Brent is also the international oil benchmark against which many other crudes are priced. On Friday ICE January Brent was up 0.5 per cent at $110 per barrel.

The shipments to Asia have also been encouraged by a shrinking spread between the prices of ***high*** quality North Sea oil and heavier Middle Eastern crudes. The premium of Brent to Dubai crude has shrunk to as little as $2.60 per barrel this month from as much as $7.10 per barrel in the late summer, as strong demand from Asia has pushed up Middle Eastern crude prices.

Chinese buyers have also been active in the North Sea market as a result this month.

"The South Korean buying reflects very strong Asian fundamentals," said Amrita Sen, head of the Energy Aspects consultancy. "Product markets [such as diesel and gasoline] in Asia are strong, giving refiners there an incentive to purchase crude," she added.

Two Suezmax tankers, with capacity for carrying 1m barrels each have also been booked to take North Sea crude to Chile this month, according to two trading sources. And one trader said three Suezmax tankers would take cargoes to eastern Canada.

The shipments to far flung markets have been encouraged by weak demand in Europe, where refineries are struggling to generate profits amid lacklustre local demand and competition from US refiners that have access to cheap domestic shale crudes.

"European refiners have been off the market, and shy to step up to buy prompt cargoes," said Miswin Mahesh, an analyst at Barclays in London. "These other refiners have taken the opportunity to step in and get cargoes away."

In the run-up to a hotly-contested election, it is the way of politicians to make promises, and the Scottish National Party is no exception as it attempts to convert a majority of Scots to the independence cause.

Among the many pledges in the SNP's "Scotland's Future" document are commitments to more generous pension benefits, perhaps not surprising given that over-65s are better represented north of the border than in the UK generally.

Specifically, the SNP has reiterated its commitment to preserving the so-called "triple lock" on annual pension increases - meaning that ***state*** pensions rise by the ***higher*** of inflation, wage growth or 2.5 per cent - for the entirety of the first Scottish parliament. In the rest of the UK, it is only protected through 2015 - and many observers think it will be abandoned after the next election.

The SNP has also said it would introduce a flat-rate ***state*** pension of £160 a week in 2016 - £1.10 a week ***higher*** than the expected figure in the rest of the UK. - and abandon the planned increase in the ***state*** pension age to 67 after 2020. The expected rise to 66 for men and women in 2020 would remain.

In most other respects, ***state*** pension policy is to remain unchanged, with those who have accrued rights in the UK receiving them in full, but paid by the Scottish administration instead of the Department of Work and Pensions.

The SNP stressed that it sees no need to alter taxation to pay for its spending pledges, but added it would set out detailed policies ahead of elections to the Scottish parliament in 2016. Its priorities would include linking the personal allowance and tax credits to inflation, and ending the Conservatives' proposal for a transferable tax allowance for some married couples.

The SNP has already established a Fiscal Commission to make recommendations for post-independence fiscal policy.

Pensions experts at Hargreaves Lansdown estimate that the superior ***state*** pension will cost £52m a year, while the cost of abandoning the planned increase in ***state*** pension age would come in at a heftier £1bn a year.

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> The SNP argues that its pension pledges are affordable (and appropriate) because statistically, Scots tend to die earlier than other Britons - something the SNP described as a "human tragedy". Data from the 2008-2010 period show a UK-wide life expectancy for men at age 65 of 18.03 years, while in Scotland that was 16.76 years.

But looking more closely at Scottish data suggests a portion of that shorter life expectancy is due to the "Glasgow Effect", an effect which has epidemiologists puzzled. Research shows that when Glasgow - where male life expectancy at 65 is a mere 14.3 years - is compared with cities such as Manchester and Liverpool which have similar concentrations of poverty, Glaswegians still do worse.

When Glasgow is stripped out, average life expectancy in Scotland rises to 17.05 years at age 65, still below the UK average, but by a smaller margin. But data also show widespread inequality, as measured by life expectancy, within Scotland itself. A 65-year old man from East Dunbartonshire can expect to live a further 18.9 years while one in West Dunbartonshire only has another 15.6 years to go.

The manifesto also pledges to create a separate system of financial regulation for Scotland, prompting some to warn that the cost of financial products would have to rise. "Every bank, insurance company, financial adviser and investment manager will have to run duplicate systems and train their employees to deal with two different regimes," warned Tom McPhail, head of pensions research at Hargreaves Lansdown.

Jacob Zuma, South Africa's president, came under renewed fire on Friday after a leaked report alleged he personally benefited from millions of rand of public funds spent on his private residence and misled parliament over the controversy surrounding his homestead.

For more than a year Mr Zuma has been dogged by allegations that R215m ($21m) from ***state*** coffers was used to upgrade his sprawling Nkandla property in what is developing into one of the country's most ***high***-profile political scandals. He and the government have insisted that the funds were only used for security upgrades necessitated by his position as head of ***state***.

But an investigation into the affair, dubbed "Nkandlagate," by the Office of the Public Protector, or ombudsman, has found that a swimming pool, visitors' centre, amphitheatre, cattle corral and new houses for the president's relatives were included in the upgrade at "enormous cost" to the taxpayer, the Mail & Guardian reported.

The newspaper - which said it had obtained a leaked copy of the provisional report - said Thuli Madonsela, the public protector, recommended that Mr Zuma repay a "reasonable" amount to the ***state*** based on the cost of non-security items.

She also recommended that parliament call him to account for failing to protect ***state*** resources and misleading the legislature.

Last year, Mr Zuma staunchly defended the project during a parliamentary debate, insisting that he and his family had paid for Nkandla and that ***state*** funds were only used on security measures. The provisional report, titled

"Opulence on a Grand Scale," said the cost of the Nkandla project had soared from an initial R27m to R215m, with a further R31m in works outstanding, the Mail & Guardian said.

The Office of the Public Protector said it did not comment on provisional reports, which require responses from the involved parties and could change before a final version is released. It added that it was "unethical and unlawful" to publish details of a provisional report.

But the leaking of the information will heap more embarrassment on Mr Zuma and his ruling African National Congress party as they gear up for elections next year. Mr Zuma has been plagued by controversies amid the perception that corruption, patronage and cronyism in the government and ANC have been on the rise since he took office in 2009.

Lindiwe Mazibuko, parliamentary leader of the opposition Democratic Alliance, said that if the provisional findings were accurate they "would warrant the most severe sanction" of Mr Zuma's conduct.

"As more and more details surrounding Nkandlagate emerge, it is becoming increasingly clear that President Zuma is at the centre of one of the biggest corruption scandals in democratic South Africa," she said. "He must be accordingly held accountable by parliament for his actions."

The ANC urged South Africans "to exercise restraint and caution until the Public Protector releases her [final] report".

"Failure to do so will prejudice the process," it said. "As the ANC, we continue to have confidence in our president and we believe and know that he is not responsible for any wrongdoing."

The presidency did not comment.

Nkandla was in the headlines last week when cabinet ministers suggested that media publishing photographs of the homestead could be prosecuted.

After a public backlash, the government later said the ministers' comments were misinterpreted.

Earlier in the month, ministers briefly went to court in a bid to delay the publication of the public protector's final report. The case was withdrawn but not before Ms Madonsela revealed in court documents that her year-long investigation had met "very strong" resistance from a number of ministers.

Over the past five years, President Barack Obama has gained a reputation as a reluctant commander-in-chief. True, he has not shied away from endorsing drone strikes or the killing of Osama bin Laden. But on many questions - such as whether to take military action against the Assad regime after its use of chemical weapons - he has often appeared indecisive.

This week, however, the president responded firmly and speedily to events in the East China Sea. Last Saturday, China announced it was setting up an "air defence identification zone" around a group of islands that Japan administers, but which China claims. On Tuesday, the US promptly responded by sending two B-52 bombers into the contested area without notifying the Chinese authorities. The US message was clear: America will resist any attempt to change the status quo over the islands by force.

Nobody doubts that a conflict involving China, Japan and the US over these uninhabited rocks would be disastrous. The stand-off is certainly alarming. On Friday, China scrambled combat jets as Japanese fighter aircraft entered the air defence zone. There is a growing sense of a storm gathering over the western Pacific.

But the US was right to respond to China's initial move in the way it did. The US-Japanese security treaty obliges Washington to defend Japan's territorial integrity, a guarantee that extends to the disputed islands. At a moment such as this, the US must demonstrate to China that the treaty is robust.

Mr Obama's move also sends a broader message to US allies in Asia. Many are anxious about Beijing's aggression. They are also alarmed by Mr Obama's vacillation on security issues in general. Last week's intervention by the US was an important signal to them that America, the overwhelming naval power in the region, is engaged.

For the US to sustain this stance against China will be challenging. In the cold war, the US could confront the Soviet Union without fear of economic consequences. The US had no dependence whatsoever on the Soviet economy. But today the US and China are economically intertwined. This makes all US security calculations in Asia much more difficult.

The hope must be that in the next few days a way can be found to de-escalate the tension in the East China Sea. But the fundamental point is that the US needs to stand firmly by Japan. If it fails to do so, it will send a signal to every other nation in the region that the US has become an unreliable ally.

I am approaching 60 years old and have built up various pension pots amounting to £200,000 in defined contribution schemes. I must now decide whether to start an income drawdown plan, or buy an annuity.

My house is worth £800,000, with no mortgage, and I am single with no dependants. I also have £50,000 in an equity portfolio.

How can I achieve an income of £30,000 per year with some inflation proofing? Even if I amalgamate my three pension pots into one self-invested personal pension and start income drawdown this will not achieve my desired income. Could I use a further £200,000, released by downsizing my home, to boost my income?

Paul Taylor, managing director of McCarthy Taylor, says in general he does not consider drawdown where a client is risk averse, requires stable reliable income and where the drawdown fund is less than £100,000.

Drawdown is expensive to maintain as you need to manage the portfolio effectively to avoid loss of capital. The income needs to be reviewed every three years under current rules. It is generally worth taking the lump sum, usually 25 per cent of the fund value, as this is tax-free. However, this does mean reduced pension income, so unless the funds are needed immediately it is worth investing the money, using the annual individual savings account (Isa) allowance of £11,520 and capital gains tax allowances of £10,900 to minimise tax.

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> These days you do not need to use a Sipp to take drawdown and you may want to consider a platform-based pension to see if the costs can be reduced. If your adviser is independent they ought to be able to demonstrate the lowest cost option for you.

The amount of pension you take from drawdown is determined by the government actuarial tables and for a man aged 60 the current rate is about £53 per £1,000 of fund value based, on current 15-year gilt rates, which suggests a pension of £9,720 per annum. An insurance company annuity may give you slightly more if you have serious health problems, but while rates are low you may well want to avoid locking in. Annuities are expensive when you try to provide for inflation.

A drawdown fund should ***keep*** pace with inflation, although this is by no means certain. If interest rates rise, you could always buy an annuity later. If you want certainty then you need to buy an annuity and consider inflation linking. Such an annuity would give you about £6,000 per year guaranteed.

Your portfolio of £50,000 is too small to be adequately diverse to minimise risk and cost. We normally recommend at least £100,000 to be cost effective. With £200,000 from downsizing and £50,000 from your pension lump sum you would have £300,000 invested.

< > Using a spread of investments including low-cost ETFs and trackers as core holdings, with a few specialists, with a medium risk profile, we would recommend about 70 per cent in equities and 10-15 per cent in fixed interest. Around 10 per cent could be in property and 5 per cent into infrastructure. This portfolio could yield about 3-5 per cent, which would add, say, £12,000 per year to the drawdown pension income. But that would still leave you short by about £8,000 a year.

This could be met by taking gains which could be achieved at 4 per cent per year, until ***state*** pension kicks in at age 65. At that point, your pension will be £5,720 per year, assuming you have adequate contributions.

The UK will be the fastest-growing country in Europe for at least the next five years

We always make the mistake in the lead-up to a crisis of mistaking the cycle for the trend, thinking the good times will carry on forever. But then we make the opposite mistake, especially if things drag on for a while, and assume that the bad times will go on forever. Happily, we've now moved away from that depressed ***state*** but I would argue we are still not nearly optimistic enough.

To be more optimistic is not to be unrealistic. I was just looking at the independent forecasts for the economy that the Treasury collates; the fastest forecast for next year is still 3 per cent.

To think that is the ***highest*** rate we can expect assumes that we will struggle to put this crisis behind us, that we will have more permanent damage and find more loss of output irrecoverable then at any time in history.

Whether it's the world wars, the great depression, the 1920s, Opec - none of these things prevented us from getting back to previous trend growth and getting back the output we lost.

We always talk about when we get back to where we were, but what matters is where we would have been if we had carried on growing at the trend rate. That gap is 16-17 per cent at the moment.

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>Most of the estimates suggest we've lost 12-13 percentage points of that permanently, and that we will not have the catch-up growth we have had in the past. It may sound deeply plausible that "this time is different" but we should understand the strength of that assumption.

I can't see something that has metaphorically meant we all woke up in January 2009 with one hand missing, which is effectively what you have to assume if you think that all this productivity and output is gone for good.

Even if you assume that half that output has disappeared permanently, which would be worse than anything that's happened in modern history, you could still expect to achieve strong growth in the next five years. We can go off trend for a long time, but there has never been a time in the past 60 years when we have ended up on a completely different path.

Stephanie Flanders is chief European market strategist at JPMorgan, and was formerly the BBC's economics editor

International capital flows are dangerous and should be controlled

Since the 1990s, capital flows have increased exponentially in size, particularly portfolio debt and equity flows. If we look at cross-border position data, if we look at advanced economies they were about 60 per cent of GDP. By 2007 they were up to 450 per cent of gross domestic product.

Trillions of dollars have crossed borders and yet despite our ***best*** efforts and hundreds of studies, it has been extraordinarily difficult for economists to identify any benefits from these flows.

Of course it is entirely possible that parts of the financial sector reaped large benefits, but for everyone else these flows were not risk sharing but risk creating. When they disappear, usually as quickly as they appear, they create havoc, huge swings in exchange rates. Sometimes it ends badly in a banking crisis and when that happens, the cost can be around 20 per cent of gross domestic product.

Think about Latin America in the 1980s, Mexico in 1994/5, the Asian crisis in 1997, think about Iceland, Ireland, Spain - it is pretty clear that the cost of these hot money flows can be huge.

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>Just as Paul Volcker found it difficult to see what innovations the financial industry had come up with aside from the ATM, so economists find hard to see what international capital flows - apart from good old-fashioned foreign direct investment - have actually brought.

So if these international capital flows didn't do much good, then we have to restrict them, which we can do through macroprudential policy or through capital controls, and I support the idea that everyone would be better off, except maybe some parts of the financial sector.

The eurozone will break up, because of the catastrophic depressions in several nations

Many people are conventionally minded and consider this an unthinkable notion. They are essentially saying that everyone is so frightened of the consequences of leaving this masochists' paradise that they will stick with it for 10 or 20 years and feel very grateful.

Extraordinary complacency has broken out since Mario Draghi did the clever and completely necessary thing of indicating that he would intervene, albeit with a programme that is entirely incoherent and no-one knows if it would actually work if it were ever called upon.

We have catastrophic depressions in a whole host of countries, with unemployment rates in many cases ***higher*** than in the Great Depression. All of them have very ***high*** public debt ratios and knife-edge debt dynamics. The policy of the creditor countries has been to provide just enough to prevent total implosion and promise just enough to ***keep*** people interested.

The ***best*** we can hope for is a very ***slow*** recovery. Demand growth is feeble and unlikely to improve. They're very dependent on improvements in the external account as the eurozone is now the biggest current account surplus region in the world. It's likely the euro will become very strong, thus crowding out net exports from those countries starting to do quite well. The result will be 20-30 per cent unemployment in places like Greece and Spain for years to come.

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>What are the ways out? One is that the eurozone could become a genuine transfer union. It's absolutely clear that won't happen. Another is that it becomes an adjustment union, with wages and prices rising in the creditor countries. That won't happen either; Jens Weidmann (Bundesbank president) has told me that if he sees any sign of price growth in Germany, he's going to kill it.

Out of sheer terror of the consequences, the eurozone could remain the masochists' paradise it is today, or we could see some event - a government pushed into default, an election result - that prompts a serious country like Spain or Italy to say "enough's enough" and end it.

Martin Wolf is the FT's chief economic commentator

The world economy will grow at a faster rate in the next decade than it did in the last one

Over the past three decades, the world economy has grown at an average rate of about 3.4 per cent a year. My contention is that, essentially because of China but also because of other places that I've been roaming around recently, the world will grow by more than that in the current decade (2010-20).

You could say that 2007/8/9 crisis was essentially about the US consuming too much and saving nothing, while China consumed very little and saved too much. It would be good if, in the current decade, they swapped places a bit and from what I can see they are doing just that.

The US current account deficit will probably be less than 3 per cent of GDP this year and China's surplus will probably be 3 per cent too. Before the crisis the figures were a 6 per cent deficit and a 10 per cent surplus.

What China is doing is so important. If China were to grow 7.5 per cent during the current decade, that would have the same global impact as the US growing by 4 per cent - and that has never happened in my lifetime. In contrast to the other three Bric countries, China is actually growing by more than that so far this decade.

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>Unless China really ***slows*** down a lot more than consensus, its contribution to the world is just going to get bigger and bigger. It has created another India just since 2010.

So it's quite easy for the world to do better unless the places that have been really weak get even weaker. It's conceivable with the Eurozone, but from what I have seen the other places in the world, such as the US, Japan and even here, are actually doing better. The US is a very different place to six years ago; it's far more competitive, multinationals are moving back to the US. I'm just back from a week in Nigeria - Africa is booming.

Jim O'Neill is former chairman of Goldman Sachs Asset Management

Buy: Mitchells and Butlers (MAB)

If economic recovery spreads to the regions from London and the Southeast - which currently generate 45 per cent of sales - then M&B will be well placed to benefit and the shares are modestly rated on a price/earnings ratio of 11.6, writes Julian Hofmann.

A mix of stable operating revenues and reduced interest charges ***kept*** adjusted operating profits ticking up by 5.1 per cent for the year. The pub company cut capital investment by £19m, too, but it looks like a Christmas season that falls in the optimal midweek slot is the key to building short-term momentum.

M&B's estate is increasingly weighted towards food and like-for-like food sales increased by 0.8 per cent, reflecting price increases rather than volume growth.

"Wet" sales continued their long-term downward trend with a 0.2 per cent drop, although excellent weather in the second half helped moderate the fall.

Deutsche Bank forecasts adjusted pre-tax profit of £191m for 2014, giving adjusted earnings per share of 35.8p, up from £184m and 34.7p this time.

Sell: SAB Miller (SAB)

SABMiller seems well-placed to benefit from global consumption growth, although earnings growth will be held back by currency weakness and rising raw material costs, writes Julia Bradshaw. Yet the shares are highly rated given the risks.

Declines in the South African rand, Colombian peso and Peruvian nuevo sol held back growth for beverage giant SABMiller, which makes about four-fifths of its profits in emerging markets.

The maker of Grolsch and Peroni saw decent progress across all markets apart from Europe and North America, where lager volumes fell, leaving underlying lager volumes just 1 per cent ***higher***.

The picture in emerging markets was much rosier. Profit in Latin America grew by 10 per cent to $972m, helped by favourable pricing, ***higher*** volumes and a good performance from premium brands. Thirst for beer continued in Africa, where profit was up 16 per cent to $408m, while Asia Pacific also had another good year, with profits 12 per cent ***higher*** at $540m.

Broker Numis Securities expects pre-tax profit of $5.1bn for the full year, giving earnings per share of 244¢ (up from $4.7bn and 237¢ in 2013).

Hold: Compass (CPG)

Profit margins are improving and there is a huge pipeline of business, but a forward price/earnings ratio in excess of 18 - near a 10-year ***high*** - looks up with events, writes Lee Wild.

Feeding hungry Americans, and a growing appetite for its services in emerging markets, helped boost organic revenue at catering heavyweight Compass by over 4 per cent last year. Operating profit before hefty write-downs and restructuring costs rose 8 per cent to £1.27bn, and a larger than expected £500m share buy-back for 2014 pushed the shares to a record ***high***.

That's the reward for getting the operating profit margin above 7 per cent for the first time. North America, which now accounts for over 46 per cent of sales, grew organic revenue by 8 per cent, while emerging markets grew 7 per cent.

Even in Europe and Japan, operating margins grew by 60 basis points as cost-cutting offset another fall in like-for-like volumes.

Broker Numis Securities expects adjusted pre-tax profit of £1.26bn in 2014, giving adjusted earnings per share of 51.9p (from £1.19bn/47.7p in 2013).

Sector focus: tech is back with a bang

London's so-called Tech City has been getting a lot of favourable press recently, writes Matthew Allan. There's a real buzz around the epicentre in gritty Shoreditch, reminiscent perhaps of the heady optimism that fuelled the dotcom bubble in the late 1990s.

But is the current surge in merger and acquisition activity, number of initial public offerings (IPOs) and rocketing share prices a sign of future growth, or a warning cry that the sector is beginning to overheat?

Already this year, the Aim ***technology*** index has risen by nearly half and has almost doubled in the past two years. It recently breached a level last seen at the back end of the internet boom, in December 2001. Nor are the gains confined to tiddlers; the FTSE 350 ***technology*** index is up four-fold since the darkest days of the financial crisis at the end of 2008.

Recent takeover bids for Andor ***Technology***, a ***high***-tech camera maker, and Delcam, which develops advanced software for the manufacturing industry, suggest better times ahead. Andor's suitor, Oxford Instruments, has made an indicative offer of 500p per share in cash. Sales are recovering and Andor has negotiated hard, yet Oxford clearly sees value in the business even at these levels.

Delcam, meanwhile, is being bought by US-based rival Autodesk for £172.5m in cash, a deserved premium as record demand for its software translates into soaring revenue and profit.

There has been an abundance of smaller M&A activity among London-listed tech stocks during these past few months, too, most recently at managed service provider Redcentric, which said this week it will pay £65m for peer InTechnology. The deal, classified as a reverse takeover, will be funded largely by institutional money.

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> It is the IPO market, however, that has really captured the imagination of investors this year as companies and speculators alike capitalise on the robust capital market environment. Shares in microblogging site Twittersoared as much as 70 per cent on their first day of trading after the loss-making company raised $1.8bn (£1.1bn) this month. And more than a few eyebrows were raised when Evan Spiegel, the 23-year-old founder of photo messaging app firm Snapchat, turned down a $3bn offer from Facebook.

London, however, is popular, too. Servelec, a provider of software and services to the healthcare and power industries, is set to complete the largest fundraising for a UK-listed software company since 2000 when its shares list on the main market on December 2. A heavily oversubscribed IPO - also billed as the largest UK tech IPO by market value since March 2010 - will raise £122m.

Servelec isn't an isolated example, either. Another 18 ***technology*** companies have tapped the London market so far this year, double the number in 2012 and 2011. "The market is improving such a lot now, there is a completely different appetite for raising money," notes Sam Smith, chief executive of broker finnCap. "The small-cap environment is definitely seen as less risky than it has been for a long while. There's so much interest in initial public offerings... it's now a viable option for a lot of businesses."

It certainly helps that shares in many of the tech floats have rocketed following their debut. In 2013 alone, you would have made an average gain of nearly 17 per cent had you invested in all 18 tech IPOs on their first day of trading, based on exclusive research from Investors Chronicle and S&P Capital IQ.

Shares in telecoms software group Coms rose during the first half of the year after Dave Breith took the helm in January. A journeyman of the telecoms industry, Mr Breith sold his business to Daisy Group two years before and has attracted a series of new contracts at Coms as well as completing a £9.5m acquisition in the last month.

News of the completion failed to stimulate the share price above its July peak so Mr Breith improved his stake on Tuesday, acquiring five times as many shares than when he and a colleague invested a similar sum before the gains took hold in February.

In the software sector, Mark Wells became the third director to buy into Kofax during November, making his fourth trade in five years with each at a ***higher*** share price than the last.

The shares have been on an upward trajectory since 2011, and the company recently announced the biggest deal in its history. The stock has chalked up a 5p gain since Gregory Lock bought at 378p a fortnight ago.

Robert Hancock may have called the ***high*** in Senior shares when he sold at 295p at the end of October, although traders who have shorted the stock are unlikely to have profited since the dark days of 2008 when the sky fell in across global markets.

He took profits on a 38 per cent gain since January, with 2013 looking certain to become the fifth straight year of gains for the aerospace stock. Recent weakness did not deter newcomer Celia Baxter, an executive at support services firm Bunzl, from gaining a foothold having joined three months ago.

Similar gains at Judges Scientific tempted two non-executive directors to cash in some of their stake on Tuesday as the shares traded close to their all-time ***high***. Like Senior, the shares have not suffered a sustained period of weakness since 2008 and have almost doubled in value this year alone.

A trading statement last week said that full-year earnings would be ahead of analyst expectations but warned that growth may not continue into 2014. Ralph Elman banked an eleven-fold profit on shares he bought just four years ago, accounting for £890,000 of the combined sum. Chairman Alex Hambro sold the rest, reducing his stake for the first time.

Kames Capital, the fund manager owned by Dutch insurer Aegon, plans to launch a Property Authorised Investment Fund aimed at retail investors in the first quarter of 2014.

The fund will be co-managed by David Wise and Alex Walker, who already manage several other property funds aimed at institutions. It will invest mostly in direct property assets, but may also buy real estate investment trusts and property funds.

Paifs are the fund equivalent of Reits, and are allowed to pay gross dividends from rental income without corporation tax deducted. M&G and Standard Life have already converted some of their existing property funds in to Paifs.

Every time the stock market falls, I read that it's because investors fear ***higher*** interest rates. This is just such rot. Why would they fear rising long-term rates? ***Higher*** rates are supply-side monetary stimulus - which is just what the world needs now, after five years of the evil twin, demand-side monetary stimulus.

So what's the difference and why does it matter?

It's all about how central banks manipulate money supply - the fuel for economic growth. Central banks create the monetary base - notes, coins and reserves. But banks create the bulk of M4 money supply. Through the fractional reserve banking model, they lend their reserves many times over, and this loan growth is what drives broad money growth.

So if you want more lending, you either you make banks more eager to lend - boost supply - or you make borrowers more eager to borrow - boost demand.

Throughout modern history, central banks have used supply-side policy. They've adjusted reserve requirements and nudged overnight lending rates to make banks more or less eager to lend as need be. Since 2008, they've used demand-side policy. They've bought huge amounts of long-term gilts and US treasuries to push down long-term rates and make folks more eager to borrow. The infamous quantitative easing.

The problem is that supply-side factors matter more than demand-side. Don't believe it? Imagine long rates were zero. Everyone in the world would want to borrow. But banks wouldn't lend a penny, ever. Low long-term rates might make borrowers more eager but make banks less so.

Banks' core business is borrowing from depositors at short-term (lower) rates and lending at long-term (***higher***) rates. The spread is their profit. When short rates are fixed near zero and long rates are held down, profits shrink and banks don't lend. They're not charities.

This is why QE fails. Banks won't take risk for no reward. When yield spreads are as small as they have been, banks lend only to the most solvent borrowers. Hence why small business lending spent the whole of British QE in free fall and M4 fell two straight years. When yield spreads widen, the risk/reward trade-off improves, and banks are keener to lend to iffier prospects.

Borrowers are still keen, too. Pretend you want a home and have good credit, so you can get a 10-year fixed-rate mortgage for 4.5 per cent. That home is £240,000 - your monthly principal and interest payment is £2,487. If rates rise half a point, your monthly payment rises by £58. Do you back off? No! You love that house! Besides, cost is just one variable. Is your income good? Your job? Do you expect your life to improve or worsen?

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>Or pretend you run a ***high*** street shop. You need a loan for a long-term project. Your return on investment is 7 per cent, and you have good credit, so you can borrow at 5 per cent, or 3 per cent post-tax.

If rates rise to 3.5 per cent, your profit is still 50 per cent (3.5 divided by 7) if revenues continue. So you look forward. Do you have confidence in the economy? Expect strong demand? Are your order books already bursting? If so, you'll still take the loan. If not, you won't and probably wouldn't have done so at lower rates either.

Borrowers like low rates, but most don't actually need them. You know this - UK borrowing costs have risen all year, but so has loan demand, according to the Bank of England's credit conditions survey. Demand now is stronger than during the UK's QE nightmare! Growth is speeding on all fronts, so businesses and homebuyers are more confident, more eager to borrow. With profits up, banks are more eager to lend. M4 is finally growing apace.

Expect the same in the US when their idiotic QE ends. QE hurt the US, just like it did Britain. Loan growth ***slowed*** and M4 is up only 2.8 per cent since QE began - and it fell for a year and a half along the way. Banks lent less, created less money. The economy had less fuel. That it grew anyway is a marvel.

The fog is already clearing. Markets are discounting QE's end. At the end of May, the yield on 10-year Treasuries was 1.68 per cent. By the end of September, that had risen to 2.54 per cent. Bank lending rates rose too. Yet household borrowing rose 1.1 per cent during the third quarter - the first rise this year. Consumers knew it was OK to borrow even as rates rose. Businesses did too - business lending grew 1.2 per cent. M4 is growing faster.

< > Once QE stops, the party will really start. Wider spreads will make banks more eager. Long shutout business owners will finally get what they need - money to invest in new ***technology***, equipment, R&D, facilities, inventory and employees. Five years of pent-up demand will be unleashed to work its magic throughout the world's biggest economy.

And the ***best*** part? No one is expecting it! Everyone thinks ***higher*** rates will cause lending to crumble and GDP to go into free fall. They're in for a colossal shock - just what stocks love.

Ken Fisher is the founder and chief executive of Fisher Investments

We recently hired an intern to do social media for our company as we are looking to expand our online activities. The intern tweeted some personal comments about a sportswoman who had been in the news recently which bordered on the libellous. We deleted the tweets as soon as we realised what had happened, but they had already been retweeted a number of times. I'm worried that we could face legal action as a result of the intern's actions. Can you advise?

Nothing "borders on being libellous" - it either is or it isn't. For an action in libel, something is published about a person and "the reader" thinks less of them. The courts consider that "the sting is not so much in the words themselves as in what the ordinary man will infer from them and that is also regarded as a part of their natural and ordinary meaning".

The reader is someone not avid for scandal and who does not read too much into the words. As the tweet contained personal comments even if not defamatory, it may be a misuse of personal information under article eight of the Human Rights Act, protecting private life.

If the words are libellous, as they have been published and the person named, a claim in libel will exist and the important thing is for the sportswear company to minimise the damage. They have already deleted the tweet but are aware that it has been retweeted.

Each tweet and retweet is separately actionable. It is the initial publisher who will carry responsibility for retweets, as it is to be presumed that tweets will be republished. Your company should issue a prompt apology and retraction. As the recent Lord McAlpine case demonstrated, he took a far more lenient attitude towards those who apologised promptly than to Sally Bercow, who defended the claim on the basis that the tweet was not defamatory.

Your company could make proposals to the sportswoman to turn what could be a PR disaster for them into something positive.

Sarah Webb is a partner specialising in defamation and reputation management at Payne Hicks Beach solicitors, a law firm

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Good money after bad?

I am setting up a retail business and am in the process of arranging premises. I have found a suitable property and intend to purchase the freehold. However, the property requires several thousand pounds worth of exterior renovations. The current freeholder has agreed to carry these out, but has asked that I transfer funds in advance amounting to the cost of the renovations, as a gesture of goodwill and to demonstrate my commitment to the sale. He is widely known to be heavily in debt and the proceeds of the sale will go straight to the bank. I am concerned that if I transfer the funds as he requests I will expose myself to a claim from the bank in the future?

Don't do it. There is no need to go down this ***high***-risk route. The funds you pay to the bank will be absorbed into the freeholder's accounts and set off against his debts, so you would lose them if things go wrong and in any event he will not have the money available to carry out the renovations unless the bank agrees to provide it. You could instead agree a reduction in the purchase price equivalent to at least the cost of the work.

Alternatively, a relatively simple document can protect you in this situation. Agree to exchange a contract to purchase the freehold, conditional upon the seller carrying out the works and with a provision that you will pay for the works against invoices direct to the contractor, such sums being treated as part payment of the price.

It would also be helpful if provision were made for the condition to be waived if the seller does not perform - so you can complete the contract at the price less the outstanding cost of the works and take over the works yourself.

Glenda Miller is a partner at Knights Solicitors, a law firm

From Russia with . . . doubts

I own a marketing agency that is doing well and is increasingly working with UK-based Russian companies. I was put in contact with an ***entrepreneur*** from Russia who is looking to invest in the UK and has made me a very attractive offer to buy a shareholding in my business, which seems almost too good to be true. What kind of due diligence can I do on this company?

Conducting due diligence is vital when dealing with foreign jurisdictions, where local laws and business practices can differ substantially from the UK.

The due diligence procedures will vary, depending on whether the prospective investor intends to acquire shares in your business as an individual or a company. In both instances, personal information should be collected, including their date and place of birth, nationality, family details and qualifications.

You must include an initial screening of the prospective shareholder's reputation. The investor should provide details of his previous business experience and government affiliations that he may have, either personally or through an existing company. He should disclose to you his interests in other companies and/or key management positions to ensure there is no conflict of interest with your business.

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> The investor should provide financial references. I would advise asking for financial statements for the past three years. In the absence of these, a local bank should deliver an opinion of reliability and financial capabilities of the investor. An advantage to the investor is that if his level of his investment is at least £200,000, he is eligible to make an application for himself and his family for a tier 1 ***entrepreneur*** visa to live and work in the UK.

This type of visa ***lures*** foreign ***entrepreneurs***, as it can result in British citizenship. The checklist above is a good starting base for your due diligence and will help you to mitigate risks when contemplating business relationships with a foreign party.

Katrina Cooper is counsel and Irina Mikhnova is a corporate assistant at Faegre Baker Daniels, a law firm

Santander, Halifax and Nationwide have benefited most since the introduction of seven-day switching on current accounts in September, according to figures from market research group TNS. However, it noted that, overall, there has been only a modest pick-up in switching activity.

Most of the traditional ***high*** street banks, such as Barclays, HSBC and RBS have lost more customers than they gained, despite incentives such as cashback and reward schemes to ***keep*** them. Although there is some evidence that financial incentives are playing a greater part in attracting customers, TNS found that poor customer service was still the main reason for leaving a bank.

The research was conducted before the recent scandals involving the Co-op Bank.

Santiago, the sprawling capital of Chile, enjoys a Mediterranean-like climate and is a couple of hours' drive from the Pacific Ocean to the west, and winter sport resorts in the Andes to the east. Despite its seemingly idyllic location, it is, like many areas in Chile, prone to earthquakes - hence the strict building code that was introduced following a devastating 9.5 magnitude quake in 1960. The code is credited with protecting many Chileans when an 8.8 magnitude quake struck off the coast of central Chile in 2010.

Earthquake-protection techniques are just one reason why greater Santiago, which has a population of 6.3m, is revelling in confidence these days. A strong economy and stable political system have also helped. The most visible result is the Gran Torre (Big Tower) of the Costanera Center in the Providencia district, a 300-metre office block in Santiago's gleaming new business and financial centre - the tallest building in South America. The $1bn centre also contains South America's largest shopping mall.

In spite of the global financial crisis, the average price of a home in Santiago rose by 15 per cent in real terms between the second quarter of 2008 and the same period in 2012, according to BBVA Research, which describes the city's housing market as "dynamic".

However, according to estate agent Carolina Lippi, some ***high***-end homes in the affluent, eastern comunas, or city districts, of Vitacura and Las Condes increased in value by 25 to 30 per cent in the past two years (Providencia and Lo Barnechea are the two other upmarket districts in the city).

"There are hardly any limits on getting home loans these days and property is seen as a safe investment. Building plots in the most coveted areas are getting so scarce that people are buying old buildings, tearing them down and building something ***higher***," says Lippi.

One property on sale in Vitacura at present is a five-bedroom, seven-bathroom detached house built in 1995, with an infinity pool, a separate apartment for guests and mountain views. The property is being marketed by Inmobiliaria Poseidón for 65,000 UF ($2.92m). There is little residential property advertised publicly in Chile above this price level.

The Unidad de Fomento is a separate unit of value linked to the Chilean peso and which constantly adjusts with inflation. It is used to price most real estate (and loans, too).

Another example is a four-bedroom, four-bathroom penthouse apartment overlooking Los Leones golf club in Las Condes, with a heated pool and five parking places, on sale for 63,500 UF ($2.85m) via 3C Propiedades.

Beyond Vitacura - and a 45-minute drive from the business and financial centre - a recently built, hacienda-style mansion in the Arrayán sector of Lo Barnechea, with 500 sq metres of living space on a 5,600 sq metre plot is being offered by Lippi Propiedades for 25,000 UF ($1.12m). The house has an outdoor pool and accommodation for staff.

Half a century ago, land in Vitacura was mainly given over to grazing cattle; now it is the epicentre of fashionable Santiago, with restaurants like the minimalist Boragó, where diners can eat dishes flavoured with foraged herbs and edible flowers, or shrimp dangling from a bonsai tree.

Chile's rigid class system has its own impact on the local ***high***-end property market: extended families tend to stay in the same district, and a lot of property is passed on within families, or pushed discreetly at country clubs or the driving range (or, indeed, advertised less discreetly on Facebook and other social media sites). As a result, up-and-coming neighbourhoods derive much of their buzz from incomers. Good examples include the bohemian district of Bellavista, with its eclectic dining scene, and Bellas Artes, a central district of trendy bars, cafés and markets.

Santiago's historical downtown, meanwhile, has some attractive French-style neoclassical buildings but it is rather scruffy: in September the authorities introduced new rules to clamp down on the many unauthorised street vendors there.

A renovated three-bedroom, two-bathroom 98 sq metre apartment in Bellas Artes is on sale for 4,500 UF ($202,500) through the Procasa agency.

Nathan Lustig, 28, is an ***entrepreneur*** from Milwaukee, US, who came to Santiago in 2010 under the government's Start-Up Chile programme, which offers grants to promising new businesses, both foreign and Chilean, who set up in the country. Many are in the ecommerce, biotechnology and finance sectors. "Santiago is the most livable city in Latin America and there is wonderful hiking on your doorstep," says Lustig. "Business-wise, there may be some extra bureaucracy here [compared with the US], but the rules are understandable and you feel confident that they are not going to change suddenly."

Over the past four years, Start-Up Chile has brought between 800 and 900 overseas ***entrepreneurs*** to Santiago, according to the programme's communications manager, Maite Larraechea.

"There is now a real cluster of young foreign ***entrepreneurs*** in Bellas Artes," says Lustig, who has opened Andes Property, a company offering furnished units to the steady stream of expat arrivals in Santiago.

Lustig's main gripes are air pollution and petty crime, while the distance from home is also a drawback: "It takes 14 or 15 hours to get to Wisconsin. On the other hand, if you are doing business with New York, or just watching sports or talking with friends there, there is no time difference in the southern winter, and only two hours difference in the summer."

"Santiago couldn't be more different from Buenos Aires," says David Chevalier, 30, an engineer from Nantes, France, who moved to Santiago three months ago. "Superficially, there are streets in the [trendy and gentrifying Buenos Aires] district of Palermo which look like streets in Bellas Artes and Bellavista. But the big difference is the foreigners who come to Santiago are not here to spend money, they are here to make it."

- Estate agents' commission is usually 2 per cent of the sale price, paid by both the buyer and seller

- Smog is a problem in the city, especially during the winter

- Violent crime in downtown Santiago fell by 17 per cent during 2012, according to the country's interior ministry

- Flights from New York to Santiago take about 11 hours from New York and 15 hours from London

- Average temperatures range from about 9C in July to 20C in January

What you can buy for . . .

$100,000 A one-bedroom apartment in Bellas Artes or Bellavista

$1m A three-bedroom new-build apartment in Las Condes

$3m A modern five-bedroom house on 3,500 sq metre plot in a prime location in Vitacura

Sculptor Eleanor Cardozo could easily have chosen the more traditional path of the wife of a London banker with a comfortable house in Fulham, three children at a local prep school and weekends in the Dorset countryside. But Cardozo, 48, wanted to make Switzerland, rather than Britain, her home. "We could have just stayed put," she says. "But we decided that Switzerland had mountains, lakes and no crime. Whereas in London, I just seemed to be spending hours on the road in traffic [on the way to] Dorset."

Fifteen years after making the move, Cardozo's decision has helped to widen the appeal of her sculpture. Today, galleries and hotels all over Europe exhibit her work. Yet, importantly, she is still recognised as a British artist when it counts - such as during the London 2012 Olympic Games, when her bronze sculpture of a gymnast was placed outside Westminster Abbey.

Setting up in Switzerland with three young children was hard work, however. "The usual expat trappings that a bank lays on [such as] a car, home and schools weren't there," she says. "Bank Sarasin [for whom her husband, Rupert Fryer, 53, is a director] is from Basel, so we were treated very much as locals and left to our own devices to settle in. I was surprised to find that the Swiss Germans didn't really speak English."

Family life in Switzerland proved to be a success. "In London we were terribly social," she says. "But here it was just us as a family, so we took lessons to get our motorboat licence, took the children skiing in Klosters, Zermatt and Davos - and it was all rather peaceful really."

Cardozo's decision to put down roots in Switzerland is in contrast with her peripatetic childhood. The daughter of a military attaché, she was the eldest girl of 10 children. "We all fought like crazy, but we were a chaotic, happy family," she says. Postings abroad took the family to Malaysia, Malawi, Ghana, Cyprus, Germany and Gibraltar during her early childhood and school years. She attended St Mary's School in Shaftesbury with five of her sisters.

"All our holidays were spent without a television, making and doing things - sewing, painting, dress designing or playing music," says Cardozo. Art and music also played a big part in the household, with her mother teaching violin and piano to all the children from the age of four. "I remember arriving in Malawi airport with my brothers and sisters, each of us carrying a violin case, until customs officials stopped us, suspicious we were carrying guns."

Her own three children - Cosima, 22, Danny, 21, and Henry, 20 - began their education in Switzerland, before attending British boarding schools. "I wanted them to feel some Englishness," says Cardozo. "I was nervous of them becoming too 'Euro'. This place can be too small and too rich - with talk about the next Prada handbag or Daddy's new car, versus piano, drama [lessons] and team spirit."

When Cardozo was the age her children are now she completed her studies at City and Guilds of London Art School, and then spent a year in Florence, at the Studio Cecil-Graves.

After renting for five years in the suburb of Cologny, on Lake Geneva, the family sold their five-bedroom house in Fulham in 2002, took the plunge and bought a property in Geneva. Cardozo, however, didn't want to live in Cologny. "I wanted something flatter, with more space," she says, "and without halos of midges in the summer".

Cardozo and her husband found a three-bedroom Spanish-style hacienda, built in the 1970s and owned by Peruvians, in another smart suburb of Geneva - Vand uvres. The layout is unusual. There is a single-storey above ground with a courtyard at the front and a terrace surrounding the pool at the back, while three of the seven bedrooms are downstairs in the former cellar. "It took seven months of building work to carve out the [legally required] nuclear bunker and make the rooms," says Cardozo. "Coming from London, we were used to making the most of underground space." The couple bought just under four acres, and used the footprint of the house to obviate strict planning laws and create 6,000 sq ft of comfortable family home.

On the other side of the courtyard is Cardozo's studio, a modest and well-ordered area with plenty of light from glass doors facing the lawn. Life-sized figures of gymnasts and dancers compete for space with half-finished smaller figurines - the bronzes are fired at the Swissart foundry in Jussy, just down the road. Small figures are often private commissions for Russian yachts or Asian clients, while a larger three-quarter size study in the corner was modelled on the British-Croatian socialite Petra Ecclestone. "It took me eight weeks to complete, from drawings to finish, and I took it out to her mansion in Los Angeles this January," says Cardozo, referring to Ecclestone's 56,000 sq ft estate in Bel Air, which she bought for $85m in 2011. Such bronzes start at about £50,000 for a half life-size and reach more than £100,000 for the large-scale monuments that Cardozo has completed for public buildings.

It was during her exhibition at the Beau-Rivage Palace hotel in Lausanne in 2010, next door to the Olympic Museum, that she first had the idea of including her work at the London 2012 Olympics. After being approached to supply sculptures of gymnasts in the Olympic Museum, she wrote to Lord Coe, who headed London's bid to host the Games, the Mayor of London Boris Johnson and David Cameron, the British prime minister, only to have her ideas rejected.

Then she was approached by a charity, Youth With A Mission, and asked to make a four-metre public monument for display outside Westminster Abbey. A three-metre gymnast by Cardozo was also installed at Heathrow's T5 Gallery during the Games, which now sits outside Wellington Barracks near Buckingham Palace.

The project gave her a taste for bigger sculptures in public places, something she plans to do more of in the future. "I do feel if you are given a talent, then it should be used for the good of others," says Cardozo. "And I want to make sculptures where people can enjoy them for free. Beauty and art enhance people's lives and I'm in a fortunate position to donate occasionally."

Buying guide

Pros

- Access to other European cities from Geneva is easy for business day trips and weekends away

- It is possible to live in the countryside and still be only 10 minutes from the city centre

- A large international community with English widely spoken

Cons

- Very little culture; it might be rather quiet for some people

- Limited shopping compared with the UK, particularly supermarkets

- ***High*** cost of living compared with many other European cities

What you can buy for . . .

EUR100,000: A very small studio in an inexpensive area, such as Meyrin, Russin or Aire

EUR1m: A two-bedroom, two-bathroom, 150 sq metre property in an upmarket suburban area

Romantic getaway for garden lovers

Three nights B&B, from about £1,300

barnsleyhouse.com

Britain is well stocked with stately homes and manor houses, major and minor, that in their heyday sported great gardens. While many have vanished completely and others are still firmly behind closed, private doors, there are a smattering that live on as great hotels, making them the perfect getaway for garden lovers.

Barnsley House hotel and spa in Gloucestershire was the home of Rosemary Verey, one of the most influential gardeners and garden writers of the second half of the 20th century. Verey was arguably better known in the US than Britain, although the Prince of Wales was a disciple and regular visitor to Barnsley House. The gardens are undergoing sympathetic restoration and the potager - an old idea that Verey resurrected and popularised - now supplies the kitchen of the hotel's superb restaurant.

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Wawa folding rocking chair

From £300.00

wawa.co.uk

Designed 20 years ago by former sculptor Richard Ward, the Wawa folding rocking chair has been relaunched this year with fabrics from some of the ***best*** established and most exciting up-and-coming designers. The rocker's folding mechanism is beautifully simple, superficially like a deckchair and with similar portability thanks to its very light weight, making it ideal for conservatories and gardens. The fabrics for the relaunched range are from designers such as Eleanor Pritchard, whose work has a strong mid-century aesthetic, and Margo Selby, known for her popular handloom designs.

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Capricorn mohair welly boot socks

£11.95 a pair

capricornsocks.co.uk

Christmas socks may be the ultimate cliché gift, but as any gardener knows there is no less inviting place on a freezing winter day than a cold, dank wellington boot. So if you intend to buy foot knitwear this Christmas, you may as well go for a sock that does the job. Capricorn Socks are British made, using mohair from Angora goats. Mohair in a sock makes it hard-wearing, warm, comfortable and machine-washable. Those of a delicate olfactory nature will appreciate one of mohair's most remarkable qualities - the socks don't smell after being worn.

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Moonlight design garden lighting scheme

From £5,000

moonlightdesign.co.uk

Gardens don't sleep when the sun goes down, but they are much harder to enjoy after dark; especially in winter. Lighting makes a garden more accessible at night and can have a genuinely transformative effect - a carefully lit tree trunk can have the presence of a Corinthian column at night, becoming just a plain old tree trunk when the sun rises again. Well-placed lighting can create almost theatrical effects; light washes, highlights and shadow patterns. The result extends the garden's usable time during the summer months, and in winter creates an illuminated outdoor picture to enjoy from the warmth of indoors.

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Floral arrangements

From £50

philippacraddock.com

Former marketing and advertising executive Philippa Craddock retrained as a florist, quit London and set about designing innovative and distinctive floral arrangements from her studio in Pheasants Hatch, East Sussex. She has built up an impressive list of clients including Tiffany & Co, Lancôme, Claridge's and the Saatchi Gallery, leading to Condé Nast Brides magazine describing her as the "must-know florist". She now sells through Selfridges as well as online, including a range of Christmas wreaths.

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Tobisho secateurs

From £69

niwaki.com

If there are three things worth spending money on in life, so my grandmother used to say, it's underwear, eyewear and secateurs. Poor quality secateurs are not only a false economy but a health risk too; blunt blades are far more likely to result in an injury. These Tobisho secateurs are hand forged in Japan, using the same blue paper steel technique employed in the manufacture of Samurai swords. Because the blade and handle are formed from one piece of steel they are exceptionally strong, and feel beautifully balanced in the hand. Most importantly, they have a refined cutting action and smooth, precision cut. Drawn from a leather holster, you can combine cowboy and ninja fantasies in one fell swoop.

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Honda Versatool

£399

honda.com

"Split shaft" power tools have been around for a while, but have always risked being a jack of all trades and master of none. The idea is simple; take the engine and driveshaft from a brush cutter and split the shaft halfway along its length so that multiple heads with different functions can be plugged in, like a piston-powered Swiss Army knife. Honda's Versatool uses a powerful four-stroke engine promising less noise than a two-stroke and no fiddling around with oil/petrol mixtures. It has seven attachments, including a soil cultivator, a pruner, an edge cutter for tidying lawn edges, and hedge trimmers. Honda's reputation for quality should ensure the various implements do the job intended, and don't languish unused in the garage.

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Cacoon hanging chair

£225

hang-in-out.com

The husband and wife team behind Cacoon have spent the past 20 years making sails for ocean-going yachts. On a work trip to Mexico they spotted a colony of weaver birds with their distinctive suspended nests, and the idea for the Cacoon was born. Made from light but incredibly strong sail cloth, the Cacoon is part hanging chair, part hammock, part floating tent. It makes a great garden hideaway for grown-ups and a fun play den for children. There is something irresistibly relaxing about swinging gently in the breeze; fortunately the Cacoon comes equipped with cup holders, should you get a little too chilled out and drift off to sleep.

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007's Barbour jacket

£399

barbour.com

J Barbour & Sons has been making outdoor clothing for field sports enthusiasts, farmers, sailors and gardeners for more than 100 years from its base in South Shields in northern England. The Beacon sports jacket is based on the limited-edition version worn by Daniel Craig as James Bond in Skyfall. A slim-fit, blazer-style waxed jacket in olive drab, it has neat touches like leather-bound cuff edges, and classic Barbour tartan lining. Slim-fit jackets are ideal for gardening as there are no loose flaps of cloth to get caught in machinery or tools, while the waxed cloth repels thorns and rain with ease. A season out in the elements will give it a cool patina that money can't buy.

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The Book of Palms, by Carl Friedrich Philipp von Martius

$150

taschen.com

This wonderfully whopping folio (442 pages and measuring 12.4in x 17.1in) was based on the author's 1817-1820 expedition to Brazil and Peru with the zoologist Johann Baptist von Spix. The pair travelled through the Amazon basin - the most species-rich region of the world - sketching and collecting specimens. The 240 chromolithographic illustrations are beautifully detailed, and represent a landmark in taxonomic description, botanical illustration and the realistic representation of species in the landscape. Such was the significance of this work that when von Martius died in 1868 his coffin was carried to the grave decked in palm leaves.

Most visitors to the tiny Cornish village of St Mawes can see why its housing market has emerged from the downturn relatively unscathed, even as property prices in neighbouring places remain depressed.

The village, with a permanent population of only 850, is on a beautiful hillside in the Roseland peninsula giving many properties uninterrupted water views, sometimes on two sides. For boat owners it is near Falmouth and Mylor, two of southern Cornwall's sailing havens, while gastronomes are no more than 15 minutes' drive from several Good Food Guide restaurants, such as the Michelin-starred Driftwood in Portscatho and Tabb's in Truro, as well as many old-fashioned country pubs.

Houses in St Mawes are unusually large by Cornish standards. Whereas most ***high***-end parts of the far southwest of England are dominated by elaborately modernised fishermen's cottages with little outside space - Port Isaac, Padstow and Fowey, for example - St Mawes has a significant proportion of large, modern and detached houses in substantial grounds.

Unsurprisingly, therefore, the village's housing market is strong. The average price of property sold there over the past five years is £607,000, while in Cornwall as a whole it is just £236,000, according to the website Zoopla. And, although average prices across Cornwall are still falling (down 3.8 per cent over the past year, according to the Land Registry's October figures), local estate agents say St Mawes is now over the worst.

"It was affected between 2009 and 2012 as the recession restricted second-home buyers," says Ben Standen of Jackson-Stops & Staff. "But in 2013 there have definitely been more buyers than sellers, hence prices have stayed strong."

"It's our view that early 2012 saw the bottom of the market when we saw two sales concluded at over £2.5m each [despite] one of these selling at a much ***higher*** level in 2007," says Jonathan Cunliffe of Savills. But the typical St Mawes buyer now seems to be returning, he adds: a mixture of wealthy retirees and second-home buyers from London.

There has been an increase in international interest, too. The village had its first Russian purchaser in 2010 and Savills has sold two homes to German buyers this year, while other agents report interest from Hong Kong and Australia. On top of that, there are returning British expats, "who start looking five years before they move back, giving time to have work carried out and to visit on holidays," says Nicola Oddy of Stacks Property Search, a buying agency.

One major driver for consistently strong prices is St Mawes' sailing tradition. Knight Frank says the village is one of the top seven locations in southern England with the ***highest*** premiums on properties with water views, especially if they are accompanied by direct river frontages and moorings. The agency claims a private slipway can boost the price of a property in St Mawes by more than 100 per cent, while private access to a jetty will add 80 per cent.

However, buyers inevitably have a limited choice of homes in such a small location. This winter there are some 25 St Mawes homes on the open market, just four of which are on for more than £1m. A similar number are for sale in nearby villages Portscatho, Tregony and Veryan.

Savills is selling a new three-storey house in St Mawes with 6,300 sq ft of space. The property has five bedrooms and a galleried hall, plus extensive outdoor terracing - all designed to optimise water views. It is on the market for £2.35m.

Nearby, a colonial-style house, built in the 1930s and frequently remodelled, has four bedrooms, 2,800 sq ft of space and is being marketed by agent H Tiddy for £1.85m.

For those with long-term plans for a customised house, a plot on the edge of St Mawes is being sold with consent to build a 6,100 sq ft home for £1.39m through Carter Jonas. Its unusually large 48-acre grounds come with 1,500ft of creek frontage. A more modest three-bedroom Georgian semi-detached house - still with views across St Mawes harbour and the village itself - is on sale for £850,000 through Miller Countrywide.

These ***high*** prices persist despite what some prospective buyers may regard as significant disadvantages.

Not only is St Mawes 290 miles southwest of London - a six-hour drive not including breaks - but the final 20 miles leading to the village are on narrow lanes. To travel from St Mawes to the nearest town centres of Falmouth and Truro you must either drive a dog-leg route to the head of a river or use undeniably charming but ***slow*** ferries.

St Mawes is only 30 miles from Newquay airport but easyJet has recently closed its Newquay-Gatwick service citing insufficient demand, while Gatwick and Heathrow are both about 280 miles away.

Even the mobile telephone signal can be patchy - "which frustrates holiday makers and business people alike," says Nicola Oddy. But perhaps it is the peacefulness of the area that appeals to its better-known residents and tourists.

Sir Frank Williams, owner of the Williams Formula One team, has a property in the village, as does David Richards, former F1 team principal and now chairman of Aston Martin. This year, Richards opened a 20-room boutique hotel called Idle Rocks in St Mawes. It is aimed at young families and is a rival to the Hotel Tresanton, a 1940s yacht club transformed by the Forte family's Olga Polizzi in 1997 and frequented by Tony Blair, the Prince of Wales and a host of celebrities.

St Mawes clearly still has pulling power, despite Cornwall's economic landscape not yet enjoying the green shoots of recovery seen elsewhere. A powerful combination of natural beauty, water views and spacious housing has been its recipe for staying strong, even in a downturn.

- In August - at the height of the holiday season - there were just two reported crimes in St Mawes: one for antisocial behaviour, the other for burglary

- A significantly ***higher***-than-average 39 per cent of residents are pensioners. The southwest of England has an average of 22 per cent, while the national average is just 17 per cent

- 65 per cent of homes are detached, double the average across southwest England

What you can buy for . . .

£500,000 A refurbished three-bedroom cottage near the harbour

£1m A detached four-bedroom house with views and a lawned garden

£2.5m A five-bedroom period villa with large grounds on the water

The Mill, Pigna, Liguria, Italy, EUR1.5m

Where: In the northwest corner of Italy, on the border of France, 1.5km from the medieval village of Pigna, 15km from the beach, and a one-hour drive from Nice Côte d'Azur airport.

What: A converted olive mill, built in 1850, with an older attached stone mill, a detached cottage and a small rustico (stone shed). In total, the property has eight double bedrooms, five bathrooms and 620 sq metres of internal living space.

Why: Built at the junction where two rivers cross, with no other properties nearby, the plot amounts to just under half an acre. It is surrounded by olive groves and woodland.

Who: Chesterton Humberts, chesterton-international.com, tel: +44 203 040 8210

Little Bokeelia Island, Gulf Coast, Florida, US, $29.5m

Where: Off the coast of Pine Island, western Florida. Journeys by car and boat take an hour from Southwest Florida international airport in Fort Myers.

What: A 104-acre private island, with 3.5 miles of shoreline. The Spanish-style main house has four bedrooms and there is also a two-bedroom guest house. Within the grounds there is a museum, pool, tennis court and staff quarters.

Why:Little Bokeelia offers complete privacy, with the area around the island a designated nature reserve.

Who: Michael Saunders & Company, michaelsaunders.com, tel: +1 941 522 5228

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303 Campbell Hill Road, Scotsburn, Nova Scotia, Canada, C$699,000 ($665,000)

Where: On the southeast coast of Canada in Pictou County, 82 miles from Halifax international airport.

What: A new three-bedroom, three-bathroom home, with 3,711 sq ft of living space. In the grounds are a whirlpool tub, a golf driving range and a trout stream.

Why: On a hilltop within an 85-acre country estate, the house is designed for privacy, being 2km from the nearest neighbouring property.

Who: Tradewinds Realty, tradewindsrealty.com, tel: +1 902 275 5613

Eilean Righ, Loch Craignish, Argyll and Bute, Scotland, UK, £3m

Where: Off the coast of Argyll, in the Inner Hebrides, 25 minutes by helicopter from Glasgow airport, or a ten-minute boat trip from Ardfern on the mainland.

What: A refurbished four-bedroom main house and three-bedroom farmhouse, plus 261 acres of land. There is an observatory, boathouse, jetty, two slipways (suitable for seaplanes) and a 500 sq metre helicopter hanger.

Why: Eilean Righ, or "The King's Island", was once owned by Sir Reginald Johnston, who retired here after being the tutor to Pu Yi, the last Emperor of China.

Who: Knight Frank, knightfrank.co.uk, tel: +44 131 222 9600

Farmhouse, Esporles, Mallorca, Spain, EUR6m

Where: In the Balearic Islands off the coast of Spain, 8km from the town of Esporles, 24km from Palma airport.

What: An estate comprising of a main house, a staff apartment and a casita, making a total of nine bedrooms and seven bathrooms. It is set in 160 acres of land, mostly woodland, with level terraces for cultivation, a pool and patio area.

Why: The property is in a remote location ***high*** in the Tramuntana mountain range, at the end of a 5km dirt track. It is self-sufficient for heating with wood-burning stoves, while water is supplied from three wells.

Who: Savills, savills.co.uk, tel: +44 207 016 3740

Once a sleepy backwater favoured by hippies seeking an escape from Auckland's rat race, Waiheke Island is now the go-to holiday home destination for wealthy New Zealand urbanites.

Investor Graeme Hart, the country's richest man, owns a property here - as does former All Blacks rugby coach Sir Graham Henry. In the 20 years up to the end of 2011, median property prices rose 582 per cent, according to figures supplied by the Real Estate Institute of New Zealand (Reinz). In the past year alone, prices have risen by about 10 per cent, says Brad Roebuck of real estate firm Bayleys.

It is easy to understand the appeal. Waiheke lies 11 miles off the coast of North Island and is just a 40-minute ferry ride from Auckland, the nation's financial hub, making it increasingly popular with commuters and owners of second homes. Indeed, it is sometimes referred to as the city's "island suburb" - although this is not a term favoured by locals.

Waiheke has stunning scenery (lush vegetation, rocky sea coves, translucent waters and breathtaking hilltop views), more than 30 vineyards producing some of the country's ***best*** wines (the local Syrah is a favourite) and an attractive microclimate. Add to that the growing numbers of boutique shops, bars and restaurants, including the award-winning Mudbrick in Oneroa, and it is no great surprise that while Waiheke has just 8,000 permanent residents, its population swells to more than 30,000 during the holiday months.

"Ten to 15 years ago, Waiheke became a place for the trendy Aucklanders to go to," says Peter Thompson, managing director of Auckland estate agents Barfoot & Thompson. "Predominantly, the buyers today are local Aucklanders who look at Waiheke as a lifestyle change, either on a permanent basis, or as a place for a holiday home." Its infrastructure has improved, he adds, but it has retained its community-oriented feel.

The west coast of the island draws the most punters, in particular the beaches near the island's main town Oneroa and at Onetangi, its largest and arguably most beautiful beach. "Typically [house] prices range from NZ$500,000 (£260,000) to NZ$1.2m - though some more palatial places in excess of NZ$5m are not uncommon," says Thompson.

Barfoot & Thompson is selling a Mediterranean-style villa at Onetangi, at a guide price of NZ$1.95m with four bedrooms, olive groves, a small vineyard and a small orchard producing many fruits including the local feijoa or pineapple guava. A little farther afield, Savills is selling a modern, glass-fronted villa with four bedrooms and a 4.27-hectare estate with award-winning olive groves, at a guide price of NZ$4.5m. Modern properties have become increasingly popular, agents say, slowly replacing old-fashioned bachs, the more modest timber holiday homes once synonymous with New Zealand's coastline.

The eastern side of the island, around areas such as Man O'War Bay, is far more remote, has worse road access (some properties have helicopter pads) and is sparsely populated. It is less popular with commuters, but conversely appeals to a niche set of super wealthy buyers for whom privacy is a priority. It is here that some of the most impressive houses are to be found, says Thompson. "Properties here tend to range from between NZ$5m up to as ***high*** as NZ$15m."

The most expensive house for sale on Waiheke at present is a NZ$7.5m four-bedroom modern property, with a solar-heated infinity pool, at Oneroa on the island's northwest coast.

Where Waiheke has the edge over other New Zealand holiday hotspots is not just its island feel and boutique-filled villages, but also its proximity to Auckland. "The other similar area that purchasers are looking at would be Omaha Beach [on the mainland], about one-and-a-half hours north of Auckland," says Roebuck. "The prime minister [John Key] has his holiday home there and it is quite an exclusive and expensive area. However for many, Waiheke has the edge because of its vineyards, choice of beaches, schools and, of course, accessibility."

In the past, Roebuck adds, property price rises had as much to do with mid-range family buyers moving to the island for reasons of cost as well as lifestyle reasons. A three-bedroom home 10 years ago would have been significantly cheaper on Waiheke than in Auckland. Now, however, that price difference is negligible.

The NZ Property Report for April 2013 ***states*** that the average asking price for property in Auckland has reached a record ***high*** of NZ$612,167, compared with the national average of NZ$447,275. The average asking price on Waiheke is just over NZ$600,000. Overseas buyers, some of whom spent time here during the 2011 Rugby World Cup, are beginning to take note, agents say. Roebuck has recently seen prospective buyers from Australia, Switzerland and the US.

Paul Tostevin, an associate in residential research at property specialists Savills, attributes Waiheke's success with local buyers to the growing wealth across the bay. "Waiheke Island's rising property market has been fed by the growing wealth in Auckland, where prices are now 26 per cent above their 2007 peak, compared with 11 per cent nationally," he says. Savills recently included Waiheke in its report for Candy & Candy on the global prime sector as an example of a luxury enclave dependent on domestic wealth.

"Inevitably, when wealth is created," says Tostevin, "playgrounds for the wealthy spring up nearby. International interest is the likely offshoot in the long term, despite the remoteness of Waiheke."

Buying guide

- The main hourly ferry from downtown Auckland to Matiatia Wharf on Waiheke takes 40 minutes. A return ticket costs NZ$36 (£18.50)

- Alternatively, it is possible to charter a plane or helicopter from Auckland to Waiheke's private airport

- Surrounded by the Hauraki Gulf to the east of Auckland, Waiheke is partly sheltered from southwest winds. Average temperatures on the island range from about 15C in July to 24C in January

- Non-residents are permitted to buy property in New Zealand and there is no stamp duty equivalent at the point of purchase

What you can buy for . . .

NZ$500,000: A modest bungalow with a deck near Ostend

NZ$1m: A three-bedroom, hilltop house with stunning views

NZ$2m: A modern house with four bedrooms and a pool in a prime location, such as Onetangi, with olive groves or an orchard

In 1986, Leonard Wantchekon, then a student leader in Benin, west Africa, escaped from Segbana jail after being tortured and held for 18 months for organising university protests against the dictator Mathieu Kérékou. "I escaped and made it across the border to Nigeria, then the Ivory Coast, and a year later to Canada," says Wantchekon. "I was a political refugee, without a home country."

Now a professor of politics at Princeton University in the US, he reflects on the long journey he took, from a dank prison cell to one of America's top universities.

Outside, it is a cold and drizzly autumn afternoon and red maple leaves paper the pavement. Inside the 1970s-style duplex, which Wantchekon, 57, shares with his wife, Catherine, a university financial manager, the rooms are decorated in calm, neutral colours and are filled with artefacts and family photographs.

He has just one complaint: "It's too quiet for me - I like student energy on campus." Even on football weekends? (Princeton's football stadium is visible directly across from the house) "American football is surprisingly quiet," he says.

Although he teaches full-time at Princeton, Wantchekon has recently embarked on a parallel mission in his native Benin: to create a first-rate university from scratch, complete with a new campus. Named the African School of Economics (ASE), it has grown out of a research institute that Wantchekon founded in Benin in 2004. ASE, which will partner with Princeton, will officially open in the autumn of 2014. "We'll start with 300 graduate students and rent a location while we build the new campus," he says.

At home in Princeton, Wantchekon has turned his window desk, with its neat piles of papers, into a virtual planning site. "This house is five minutes from my office. But when I'm home, I'm on Skype two to three hours a day with colleagues in Benin. This is where I sit, think and work." He opens his laptop to show off architectural designs for striking concrete and glass-sided buildings. Time is also being spent devising courses. "Mathematics and statistics will be the core," he says.

A top maths student himself, Wantchekon began organising protests while still at school. "I became a pro-democracy leader," he says. And his activism got him expelled from the National University of Benin in 1979. "I lived in hiding, organising students, writing for the underground newspaper." During a brief amnesty in 1985, he re-enrolled as a student only to mobilise a larger protest and the rallies that led to his arrest.

It was only after he had settled in Canada that Wantchekon finished his degree, before moving to Northwestern University in Illinois, where he completed a PhD in economics. Then in 1995, he was hired by Yale and, after a stint at New York University, he accepted the post at Princeton in 2011.

Wantchekon's attention turns to objects in his sitting room. "I bought this in Cotonou," he says, pointing to an African mask on the wall. "It's an ancestor's mask. You have street vendors who sell you masks and they're very, very talented," he says, adding that, although not religious, the masks are thought to protect the home. "Masks are believed to capture the spirit of the ancestor looking out for us. They're popular throughout Africa."

On another wall hangs a colourful painting of a waterfall. "It's a watercolour from South Africa," he says, "but I think of this [simply] as an African landscape."

The idea of a pan-African identity, a concept that emerged in the 1950s and 1960s during the struggle for African independence, has inspired Wantchekon's vision for ASE. "We will draw the ***best*** students from across Africa and teach them to become future economists, political leaders, CEOs," he says. "The research centres are [already] open. We have one masters programme in economics and statistics. Next year, we'll be upgrading to economics, mathematics and statistics, then we're adding an MBA [and] an MPA." A humanities programme, he says, "is on the books for 2016".

So how does he respond to those who, citing trade restrictions and regional instability, among other issues, dismiss the notion of an African identity? "I strongly disagree," says Wantchekon. "In academia, there are more pan-African institutions than ever: African Economic Research Consortium, Afrobarometer, African University of Science and ***Technology***," he says. "And now our applicants are coming in from 25 African countries.

Wantchekon envisages a future Africa of tightening economic and political integration along the lines of the EU. "Market fragmentation is inefficient, [it] reinforces division and [allows] limited development . . . Eventually, we need an African central bank," he says. "Now the francophone countries have their central bank based in Dakar and it's still led by the Banque de France. Former British colonies have their central banks."

His hope is that ASE will help to sow democracy across the region. His own Benin-based research, published in the October issue of the American Economic Journal: Applied Economics, compares town hall meetings with rallies in campaigns. "We've found that town hall meetings are much more effective in reinforcing issue-based voting." Africa's most valuable resource, he adds, is its young people. "We have a very young, dynamic, ambitious population. We just need to train them."

Students from ASE have already impressed their counterparts at Princeton. "I brought 14 grad students from Princeton to Benin and they realised some students there were even stronger. They didn't expect that," says Wantchekon.

Arranged on the shelves of a large bookcase to the right of the eating area are photos of his two grown-up children, Travis and Kristia. "I put pictures of my children everywhere. I have my son here playing football," he says. Meanwhile, he credits Catherine for giving him balance. "I met her when I was running, in hiding. She isn't an activist. She gave me a sense of reality," he says. Still, Wantchekon sees building his school as an extension of his early struggle. "Now Benin is a democracy. But we fought for it. I remember when it seemed impossible."

Wantchekon has secured the land for the ASE campus in the city of Akassato in southern Benin and is currently raising construction funds, but his plans will not stop there. "We'll eventually have a museum of social history," he says, "a botanical garden, even a football stadium."

Continuing his tour of the house, Wantchekon walks out to a shared back terrace with iron-grate furniture. The couple have recently bought another house nearby, which they will co-own with the university. Wantchekon is looking forward to more space and says he is pleased they will remain close to the activity and bustle of student life, adding, "I get inspiration from my interactions on campus."

The first object Wantchekon selects is an old book from school. "I still have my sixth-grade African history book, Les Peuples Noirs," he says, retrieving a tattered textbook from Benin. "It's rigorous and nicely written," he says, "I'm puzzled how, over four centuries of slave trade, African families and culture survived. You had migration, people permanently on the run to escape slave trade, war, disease. They didn't have homes." The second object is his certificate from the American Academy of Arts and Sciences. "It was moving," says Wantchekon, of his election in October as the first African voted into the academy. "I was touched by messages from across Africa: Cameroon, Mali, Congo, Malawi. I was congratulated not as a person from Benin, but as an African; for representing Africa."

David Tang, ***entrepreneur*** and founder of ICorrect, offers advice on questions about property, interiors - and modern manners for globetrotters

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As an atheist I'd be interested in your views on saying grace. On one hand, I've always considered letting a meal go cold to be the greatest disservice one can pay to the animal that died to make it and to the cook. On the other, I see there is value in reminding myself that I am lucky to have food and good friends to eat it with. Also, when my wife invites over friends from church should I adopt their gracing ways or they mine?

So let me get this right: you don't believe in God, but you believe in being considerate to a dead animal and a cook? I must confess I find this slightly bizarre. In any event, any cooks worth their salt should be able to time their cooking to arrive after grace is said. But of course if you were to have plated food already on the table before you sit down, then you are beyond social redemption.

On the point of others wishing to exercise their convictions, you would do well to respect them in an open and tolerant society. After all, you would not mind taking your shoes off when visiting a mosque, or doing a hongi to a Maori? So why irk over a few seconds in which others might like to say grace? If friends of your wife were involved, all the more reason to be accommodating and score a few brownie points with her.

. . .

You have mentioned Belgian detective Hercule Poirot twice in the recent months. Though he wasn't originally from Brussels, he reminds me of the city during the heydays of art nouveau, with fantastic architecture such as Stoclet Palace. As a seasoned traveller, you surely have been to Brussels. However, and despite its cultural gems, I fear you may have left as fast as you could.

I have always been suspicious about Belgium. OK, it produced Magritte, but he never made it to the big league. The country also produced Sax, who invented the saxophone, but it is hardly an indispensable instrument. There is, of course, Tin Tin, but he was fictional. But worst of all, the name "Brussels" evokes, other than sprouts, the tyranny of the EU, with its countless greedy and bureaucratic members savouring their lunches and dinners in Michelin-starred restaurants washed down with fine wines on expense accounts. This is a country of self-indulgence by foreigners and for the Belgians, I hesitate to think what happens beyond all of their net curtains. Its veneer of respectability gives me the creeps.

If I were to pass through this country, I would scarper with speed. Maybe the only point of interest is the site of the Battle of Waterloo where Bonaparte, who was already short, was cut down to an even smaller size. This geographical coincidence seems to be the greatest contribution Belgium has made to European peace.

. . .

What do you do if you were host at a dinner at which your guests start arguing with each other? Do you let them fight or do you intercede and try to make peace? Would you react differently if your guests were eminent people and you selfishly wished to hear them?

The ***best*** thing to do is allow your guests to carry on arguing. I always like some firm disagreements over the dinner table to liven up the food and beverage, or some interesting anecdotes, which, if told with proper embellishments, are far superior to jokes. I once had Freddie Ayer, the brilliant philosopher, and Roald Dahl, the great children's writer, come for dinner. They both boasted about their squeezes like a game of call-my-bluff. To claim decisive victory, at least in quality, Dahl told a story about sleeping one night in the bunker of The Dorchester hotel, and how he saw Ernest Hemingway two beds away, separated by a woman in between them. Of course what Dahl recalled from that night might well have been one of his vintage "Tales of the Unexpected". I simply couldn't tell. Ayer, arguably the world's most authoritative empiricist by virtue of his logical positivism, was naturally sceptical about Dahl's anecdote. But for me, the two fossils bantering for the ***higher*** status of virility was faintly sad but also quaint. That's the kind of dinner I like.

. . .

Is black tie for funerals?

Yes, if you mean wearing a tie that is black. But not "black tie" as an ensemble, which nowadays is regarded as formal wear, usually with ghastly bows already knotted, irregular lapels, dubious waistcoats and unacceptable colour handkerchiefs over the top pocket.

Email questions to *david.tang@ft.com*

No one can afford to buy a house in London any more." Once again, rising house prices are a topic of conversation at metropolitan dinner parties. Over the past 50 years, figures from the Halifax show Greater London house prices rising relative to those in the rest of the UK by a modest but cumulatively significant 0.5 per cent per year.

But people plainly can afford to buy houses in London. House prices can be ***high*** and rising if - and only if - people can afford to pay these prices. Some people who used to be able to afford central London house prices are now unable to do so, while others who used not to be able to afford them - or chose not to afford them - can now do so. If prices are rising, it is because the latter group outnumber the former. What has changed is not housing but the backgrounds of the people who live in these homes and their sources of wealth.

Carlton House Terrace is possibly the most desirable address in London. The street overlooks The Mall, the approach road to Buckingham Palace. A house in Carlton House Terrace is at present on the market with a reported asking price of £250m. If that price is achieved, the house would be the UK's most expensive property. The current owner is thought to be a Middle Eastern prince.

Two doors away is the London residence of the Hinduja brothers, scions of the family-owned, Indian-based industrial and financial conglomerate. They have spent hundreds of millions of pounds on the most opulent of restorations. Most of the rest of the street is occupied by bodies which benefit from the favour of the freeholder, the Crown Estate. The British Academy and the Royal Society are on opposite sides of the steps leading down to The Mall. In a glorious, if incongruous, conjunction the Turf Club sits next to the Royal Society.

In the 19th century, all properties in the street were private residences. Some occupants were politicians - Lord Palmerston and William Gladstone both lived in Carlton House Terrace. So did Baron Stockmar, the shadowy counsellor to the young Queen Victoria. But the majority of residents were aristocrats whose names have faded into obscurity.

Democracy chose a different type of politician, and the power and wealth of the British aristocracy waned. In the 20th century Carlton House Terrace took on a more commercial tone. One resident was Weetman Pearson, 1st Viscount Cowdray, the architect of the Pearson Group - the company which today owns the Financial Times, but was then a global infrastructure business which built the rail tracks under New York's East River. His neighbours included George Stephen, the Scots-Canadian financier of the Canadian Pacific Railway; Harry Gordon Selfridge, who established the eponymous department store; and Lord Revelstoke, of the Baring banking family. George Nathaniel Curzon, the grandest of India's viceroys, returned from the subcontinent to become the terrace's most superior resident, although he never accomplished his real property ambition - a move to 10 Downing Street.

A home in Carlton House Terrace is the ultimate "positional good". This is a term coined by Fred Hirsch in an insightful work titled Social Limits to Growth (1976). Economic growth is associated with increased availability of most commodities, but for some the absolute supply is fixed. Beautiful landscapes, paintings by Rembrandt. Properties in Carlton House Terrace and other prize London locations such as Belgravia's Eaton Square, Kensington's Pelham Crescent, and Hampstead's Bishops Avenue. The staff needed to service grand properties are also positional goods. The positional good is one which by its nature can only be available to a few people.

The price of positional goods will normally rise faster than incomes. People aim to spend more of their income on positional goods as they become richer, but only a few can ever realise these ambitions. So such goods will always held by the people who are at that time the richest, but who these people are may vary from time to time. The range of house prices - and the availability of servants - will reflect the underlying inequality of incomes. The price of prime property in central London will be a direct function of the levels of income and wealth of the most affluent people who want to live in London.

The story of subprime central London property is more complex. The invention of motorised transport in the 19th century made possible the development of large cities, with large populations. In 1801, 1m people lived in London: in 1901, there were 6.5m. The first underground railways allowed the geographical expansion of London's inner core - the grand houses of Earls Court were a direct result. But the attractions of these houses proved shortlived. With the growth of a suburban rail network, a new word - commuter - entered the English language to describe the holder of a season ticket. The expansion of London continued as the transport network grew. In the 1950s, John Betjeman would celebrate "Metroland" - the developments to the northwest of the city made possible by the building of the Metropolitan Railway.

The street of terraced houses in which I live is considerably more modest than Carlton House Terrace but was built at about the same time, though for artisans and tradespeople rather than aristocrats and statesmen. The first occupant of my house was a carpenter who occupied the lower floors with his wife and family while their two servants huddled in attic rooms. But as the character of London changed to become a commuter city, this type of centrally located property entered a long and steady decline.

By the end of the 19th century, the house was in multiple occupation: a house painter and his family occupied the ground floor, with three rooms let to lodgers. When the architectural historian, Sir Nikolaus Pevsner surveyed London's architecture in the 1950s, he would describe the area as slummy. But not for much longer. Expansion of London's boundaries had reached its limits: a "greenbelt" constricted further expansion. The improvement in transport links came to an end; commuting to London is generally no easier or quicker today than in 1939. The supply of London houses was once more a fixed number, and London property as a whole - not just its trophy residences - became a positional good. The composition of employment in London was also changing. Manufacturing and wholesale distribution now suffered rather than benefited from a London location and moved out. For much of the postwar period, official policies encouraged that relocation. In their place, financial and business services expanded and clustered in the capital.

Another new word - gentrification - was invented to describe the resulting changes, as kitchen stoves gave way to Gaggenau appliances. The skips have long gone from my street - they have moved steadily outward from the centre, as Hackney and Stoke Newington take on a new identity as Islington East, and Kilburn becomes West Hampstead. Where gentrification has a longer history, you can identify successive layers of incomers, as on an archaeological site: most houses are occupied by people who could not now afford to buy them. Most residents now work in business services, but, in a further turn of the wheel of fortune, many of these people now struggle to afford property in central London; they are squeezed by those who acquire positions, or the money that goes with positions, from their parents. Thus, the historic rise in house prices aids the transmission of inequality through the generations. There is a certain irony in noting that now my most famous neighbour is the son of Tony Blair, the former UK prime minister.

In Carlton House Terrace, British politicians and aristocrats gave way to British businessmen and financiers. Briefly, at about the time of the second world war, reduced inequality diminished the attractions of these properties and limited the ability to find the staff to ***keep*** them going. But, as inequality again increased, and an improvement in international communications made world, rather than domestic, inequality relevant, these prime properties became havens for a global elite, and London the world's most desirable - and hence the most cosmopolitan - city. The positional good of a prime London property became a universal aspiration. A terraced house in Marylebone was a positional good when it was built in the early 19th century, and 200 years later it would be a positional good again.

The monetary rewards attached to different occupations and social positions change from one period of history to another. The houses remain, the backgrounds of their occupants change. Central London houses are always affordable. The economic and political climate determine who can afford them at any particular point in time, and that in turn determines the social complexion of the capital.

John Kay is a columnist for the Financial Times

I have a friend - let's call her "Mrs X" - who has developed an unfortunate habit. Through years of investing her time and energy in her garden Mrs X has become a knowledgeable plantswoman and great enthusiast, a voracious reader of horticultural literature and frequent visitor to gardens great and small. The trouble is, her own plot is relatively modest in size, and long ago Mrs X's ambitions outgrew its boundaries.

Denied the acreage needed for further horticultural expression, Mrs X has instead taken the seasonal process of "editing" to extreme levels. Perennials are lifted and moved - they rarely get big or established enough to need dividing - every year, sometimes twice a year. Shrubs are not immune to her restless eye either, provided they haven't attained a size that makes them impossible to shift. The object of this exercise isn't simply to resolve any shortcomings in planting combinations. It is more a constant reinvention of the garden, to the point where it is almost unrecognisable from one year to the next, which for Mrs X is entirely the point.

Regular reinvention on such an unequivocal scale may be unusual - and potentially hazardous to one's sanity - but a desire to ***keep*** gardens fresh, dynamic and changing is not uncommon, regardless of plot size. This is where annuals and specifically "direct sown" annuals have an invaluable role to play.

The term refers to hardy annual plants that can be grown from seed sown directly into a prepared seedbed outdoors, where they are free to grow and flower, rather than sown into trays or pots in a glasshouse and then slowly hardened off ready for transplanting. The benefits are easy to measure: no specialist kit is required, no glasshouse or cold frames, no pots, trays or potting compost. After sowing there is no need for the close monitoring associated with a glasshouse environment, and limited aftercare is required apart from a little thinning out of seedlings. Watering is usually only needed at the vulnerable germination and seedling stage, and then only if the weather turns very dry. Because these are hardy annuals the risk of weather damage from late frosts is reduced too, so there is less of the anxious weather-watching associated with the planting out of pot-grown annuals.

There are also aesthetic advantages to direct sowing: scattering seed around through established plants often results in happy accidents. Just as in the wild, seeds seem to find a way of germinating in the least auspicious places, with plants emerging from patches where it would be impossible to plant a pot-grown plant.

There are two main seasons for sowing. Traditionally, late spring has been touted as the optimum time to sow, just as the soil is beginning to warm and day length is increasing. In the wild, however, the annuals from which almost all our garden varieties are derived will have set and shed their seed in late summer or early autumn. Sowing across both seasons seems to be the optimum for some annuals: an autumn sowing takes advantage of the warm soil to encourage germination by late autumn. The resulting seedlings are surprisingly robust and will make it through even cold and snowy winters, resulting in a mid-spring show of flowers - by when it is time to sow again for a midsummer display. Sowing through spring and early summer in succession ***keeps*** things bubbling along nicely until late summer. Before sowing, the soil should be dug over and raked to a fine tilth, but if this is impossible - such as when sowing between established plants - make a seed bed by applying a layer of loam and sand to the surface of the soil.

The umbellifers make a useful contribution to the hardy annual tribe. There are several to recommend for their airy flower heads. Ammi majus, from the Nile river valley, is a classy cow parsley, about 120cm tall topped with white, lacy flowers. It prefers full sun or partial light shade. The variety "Graceland" is a good one, with larger heads and strong stems that make it good for cutting. Technically a biennial or shortlived perennial, the "true" cow parsley, Anthriscus sylvestris, has a handsome purple foliage form, "Ravenswing". It gets a mention here because once established it will seed around and form a colony that will ensure a succession of flowering plants, suitable for a wild garden or meadow. Perhaps the most beautiful of the umbellifers is Orlaya grandiflora, the Minoan lace flower. At 60cm it prefers full sun and well-drained soil, and given those conditions will flower freely, producing flat clusters of long-lasting flowers that look like miniature lace-cap hydrangeas, that cut and ***keep*** well in a vase. In colder climates this is probably ***best*** left to a late spring sowing. Any of these white flowered umbellifers would make a classy counterpoint to silver-leaved foliage plants, dark-flowered salvia or metallic purple alliums.

Garden favourites such as Love-in-a-mist (Nigella damascena), Pot marigold (Calendula officinalis) and Plains coreopsis (Coreopsis tinctoria) are reliable colonisers too. Once sown they will usually reappear year after year, although it is important not to rely on their self-sowing capacities alone. Without regular topping up through a succession of sowings over a number of weeks the self-colonisers will flower and go over all too soon. Nigella is a plant that is as attractive in seed as in flower, and a succession of pale blue flowers alongside the papery, bladder-like seed heads should be the aim. Perhaps the ***best*** of all the colonisers is Eschscholzia californica, the Californian poppy. Behaving either as a perennial or annual, it will spread its filigree glaucous foliage and sunny orange flowers wherever there is sharply drained, gritty soil and plenty of sunshine. Once established, the need to resow diminishes, and the trick to ***keeping*** it flowering over a long period rests instead in dead heading, cutting back the spent flowers before they get a chance to form the distinctive, narrow seed pods. But let at least 25 per cent of the flowers go to seed if you want the colony to continue to thrive and regenerate. A broad sweep of Eschscholzia looks wonderful alongside the squirrel tail grass, Hordeum jubatum - another direct sown annual. Even the "common" cornfield weeds are worthy of consideration. The cornflower, Centaurea cyanus, has been heavily hybridised in recent years resulting in interesting colour breaks, dark purples and pinks, and a longer flowering season. This, along with varieties of Coreopsis and Tagetes, featured heavily in the annual meadows at the London 2012 Olympic Park.

Above all, direct sown annuals bring with them a somewhat haphazard aesthetic, a floral joie de vivre. In part, this must be because it is impossible to sow them in straight lines, unless one is spectacularly anal about such things, and so instead they pop up all over the place. And as so many are genuinely wild plants - or if not, first cousins of wild plants - there is something about them that touches a part of the soul other plants may not reach. They add vibrancy and movement to established planting schemes, fill empty nooks and crannies and refresh tired plantings with an injection of colour. I must post Mrs X a few packets.

Matthew Wilson is managing director of Clifton Nurseries, London

Robin Lane Fox is away

Tesco is operating four corporate jets, despite its sales going backwards and its international empire shrinking.

Britain's biggest retailer - which is expected to report next week that underlying sales are falling in all of the countries where it operates - has also taken office space in Mayfair since Philip Clarke became chief executive and Sir Richard Broadbent became chairman in 2011.

The corporate jets and St James's office have raised eyebrows among some investors and within Tesco, which was originally known for its "pile 'em ***high***, sell 'em cheap", mentality.

One top 10 shareholder described the corporate jets as "egregious," particularly after Tesco spent more than £1bn on its failed US business and made a U-turn on its growth plans in China.

"Shareholders have been talking to the company for a while now about some of this largesse, which stems back from a period in time when everyone thought Tesco and [former chief executive] Sir Terry Leahy and the management team walked on water," he said.

Another investor said that, even if the corporate jets and office made little difference to Tesco's financial performance, there was an issue of "perception".

Tesco operates three corporate jets stationed at the UK's Luton airport, including a Gulfstream G550, used by Mr Clarke. One of the jets, a Hawker 800, flies between the UK and central Europe, and also within central Europe.

A fourth aircraft, operated through a management company in Asia, is based in Hong Kong, and is used for travel between Tesco's businesses in the region.

The London office, which is not above a store, is used by the chairman and Tesco board members. Before it opened, Tesco directors had always made the journey to Tesco's 1960s offices in Cheshunt, north of London, to meet.

The company said: "Tesco is a FTSE-listed multinational business with 7,000 stores in 12 markets. We use only the tools which allow us to work efficiently and effectively. Aircraft allow our executive team to use their time efficiently as they travel between and within the 12 markets we operate in and the more than 70 we source from. Our headquarters is based outside London because it is more cost-effective, and we rent a small office for meetings in central London."

The developments come ahead of Tesco's third-quarter trading statement on Wednesday. Underlying UK sales are forecast by Tesco's own brokers to fall up to 1.8 per cent.

This is expected despite Mr Clarke pledging to invest £1bn to reinvigorate the domestic business after Tesco's first profit warning in decades in January 2012. Sales from stores open at least a year are also forecast to fall in Asia and central Europe.

Some senior investors are concerned that Tesco will be forced to issue another profit warning because it cannot maintain its operating margin in the face of weak sales.

The Shrink

I recently came across a wonderful list of topics that were considered unworthy of conversation by the Buddha. He cautioned against discussing: tales of kings, robbers and ministers of ***state***; war, terrors and battles; food and drink; clothes, beds, garlands and perfumes; relatives; vehicles; villages, towns, cities and countries; women and heroes; gossip; tales of the dead; idle chat; legends about the creation of the land and the sea; and speculation about existence and non-existence.

In case you're worrying that your own conversation may turn out to be less than edifying, bear in mind that the Buddha was talking to and about monks, not giving general advice for lay people.

One of the items on the Buddha's list was gossip. But hasn't gossip been rescued from its bad reputation and rehabilitated? According to this view, gossip has evolved as a mechanism for social lubrication and bonding, somewhat like primate grooming. Recent research has also showed that it comes in handy as a way of warning people about dishonest others. Still, no one would deny that malicious gossip is real, harmful and to be avoided.

The Buddha's list is clearly not a viable prescription of allowed topics for conversation, otherwise we would all have to fall silent. But it could be food for thought. There's little escape from words nowadays, and even less with the advent of social media. All this talking can make you giddy. And it's hard not to feel a pressure to add your own words to the mix, to ***keep*** chatting, almost as if by not joining in you'd risk dropping out of existence.

Perhaps that's what we could question - that it's always "good to talk", as the old BT slogan would have it. Sometimes it's better to create a bit of quiet instead. To help you do this, you could pay attention to what you talk about and how you talk about it. And do remember that there's no need to feel awkward if you have nothing to contribute to a conversation not worth having.

. . .

The Sage

It's easy - and let's admit it, quite fun - to sneer at the trivia discussed by hoi polloi. However, there is at least one advantage that talking about celebrity sex scandals has over topics such as whether free will is an illusion or artistic taste purely subjective: at least there is reasonable chance of agreeing on the right answer.

Intellectuals have always been mocked for their endless discourse on matters that more practical minds find pointless. Aristophanes sent Socrates to the clouds nearly two-and-a-half millennia ago, and that's where many have ***kept*** him and his ilk ever since.

It's not just the improbability, if not impossibility, of reaching a conclusion that makes many dismissive of theoretical questions. There's also a sense of vanity about the whole enterprise. Isn't the very definition of hubris unduly solemn adults pretending that they can even begin to fathom the deepest mysteries of existence? From this perspective, much theology looks like blasphemy - "For who has known the mind of the Lord?" as the Bible puts it.

Faced with this scepticism, some defend more academic pursuits by claiming they are more useful than they appear: philosophy, history, literary theory and the like enable us to live better lives by contributing to our understanding of self and others. True - but only up to a point. You would be hard-pressed to make this claim stand up for most work in modal logic, for example.

A better strategy might be a kind of intellectual judo, in which the force of the objection to academic inquiry is turned against the attacker. We need to embrace its lack of utility, as Wittgenstein did when he rejected Bertrand Russell's claim that philosophy expands the mind and provides a kind of liberation: "People who like philosophy will pursue it, and others won't and there is an end of it."

The value of apparently useless intellectual problems sometimes lies precisely in the fact that we do not discuss them for any other sake than their own. Like all the most precious things in life, we love them for what they are, not what they can do for us.

The Shrink & the Sage live together in southwest England. To suggest a question, email *shrinkandsage@shrinkandsage.com*

Apple fades in race to conquer TV

I believe my collection of pizza delivery boxes is the largest in the world. But to be honest, I don't think there are any other collections of pizza boxes. People just don't do this - most boxes end up in the trash. They're not collectors' items - it's like saving used tissue. But because my life revolves around pizza, to me it's a priceless collection.

I own 597 boxes and store most of them at home.

My obsession with pizza boxes grew out of my obsession with pizza. I got really into it as a kid, growing up in New Jersey. I ate your standard, suburban, New York-style pie, with low-moisture mozzarella and a tomato-based sauce. Nothing fancy. The absolute average pizza but I loved it. It was always takeout, so it always came in a box.

In college I played guitar in a rock band and I even booked our tours based on where there was good pizza. "Hmm, I've never been to Chicago. I hear they have great pizza. Let's go there." Back home, I became the go-to person whenever anyone had a question about a pizzeria. On weekends, I'd take my friends and family to pizzerias in New York, Philadelphia, Boston. Everyone wanted to go. It got to be so many people I rented a bus. After about six months of this, I decided to make it my job. I took out my savings, got a tour-guide licence and, in 2008, launched Scott's Pizza Tours.

A few years ago I went to Israel. Much of pizza and flatbread history comes from the Middle East, so it was a pizza research trip. While I was there I saw a yellow pizza box, and it blew my mind. Growing up, we had these thin paperboard boxes, white with a red drawing, maybe of a pizza or an Italian flag. That was it. When I saw this box in Israel - bright yellow with blue writing - I thought, "This is insane. They're breaking all the rules!" It was like listening to punk rock for the first time. I saw how amazing pizza boxes were and how powerful they could be as an art form. I became a serious collector. I went to Italy and brought back a ton of boxes in my suitcase. I travelled to the west coast of the US and went to 52 pizzerias in 14 days. I felt like an animal.

One of my favourite boxes was designed by the artist Ed Hardy, who did a limited edition for a pizzeria in San Francisco. It's a tattoo of a bald eagle sitting on top of a pizza with a tiger on one side and a dragon on the other. I have a box that's perforated so that the pizza actually pops out of the top. You can make the box into a plane or a dinosaur, and the lid becomes an 80-piece jigsaw puzzle. On another box, the pizza maker in its centre looks exactly like George Clooney.

I hope the US is about to enter a golden age of pizza boxes. My book, Viva La Pizza: The Art of the Pizza Box, shows more than 100 box designs from around the world, and I'm hoping it'll open people's eyes to what's possible. Italy is already having its golden age - the ***best*** pizza boxes are being made there. Japan is a close second.

New York has some of the worst pizza boxes. They're almost all generic. They don't value the art here because it's not a delivery-focused market - it's more of a single-slice culture. The ***best*** boxes in the US are on the west coast.

I actually dislike eating pizza out of boxes. I love the boxes for what they represent but for transporting pizza, they're terrible. The box traps the pizza in steam, which breaks down the cardboard, which you then end up tasting. New pizza box ***technology*** exists but if a box costs a pizzeria even one cent more, it won't go for it.

I realise it's goofy to know so much about pizza boxes. It might look childish to some. But if you talk to a dentist, you want them to know everything there is to know about teeth. I treat pizza boxes the same way. They're the most under-appreciated medium of our time.

'Viva La Pizza: The Art of the Pizza Box' is published by Melville House, £16.99

In light of Sarah Palin's decision to write a guide to Christmas this year, the Financial Times has come up with a festive spread of its own, featuring a colourful mix of tree, home and illuminated decorations.

Julie Hassan, senior buying agent at London department store Liberty, thinks the key themes will be fun and colourful. "A bright and playful scheme is set to cheer up the homes of many this Christmas," she says. "Contrasting colours such as purple, yellow, pink and blue provide a cheerful alternative to the traditional red, green and gold." Hassan also cites a trend for animal-themed baubles. "Fairytales and whimsical tree decorations will [allow] people to put a more personal stamp on their Christmas schemes this year."

Christmas in the US will be a glitzy affair, according to Emily Hull-Martin, Bloomingdale's fashion director for the home. "Gold is the hottest metallic finish at the moment in home decor, so we love mixing gold with rich reds for a luxe festive look," she says. Elegant candlesticks and tea lights are also likely to be popular this year.

For those more interested in seasonal delicacies than decoration, there is always one of Palin's festive recipes to try. Merry Christmoose Chilli, anyone? It's made from caribou burgers . . .

Woodland wonder bunting, £8, johnlewis.com

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

I should make it clear at the outset that I'm nobody's vegetarian. The moral arguments around killing and eating animals are complex but I've made a sort of peace with them. I believe humans have evolved as omnivores and can and should eat other creatures; I also believe that as a species we are civilised enough that we should reduce suffering wherever possible and, once we've killed an animal, respect it by cooking it well and eating it all, without waste.

Like many food lovers with this kind of approach to meat, I want to experience hunting the animal I eat yet I'm troubled by its social ramifications in the UK. Most shooting here is "driven", where reared birds are startled by beaters into flight over or past a line of guns. It requires skill, it's expensive, it has overtones of Downton-like privilege and I find this difficult. Many writers and chefs have taken the other route of deer stalking. This is more challenging than driven shooting, with long hikes and difficult manoeuvring into position for a shot but it's more expensive and, arguably, even more elitist.

What I have been looking for is a model of shooting more like that practised in the rural US and the rest of Europe. No tweed, no beaters, just a walk with a gun to shoot something delicious for the pot. It sounds so simple but the combination of land ownership, gun and game laws in the UK means that such a connection with food is an opportunity open to very few - those with land or gamekeepers. The lore and skills of this kind of shooting - the marksmanship, the tracking, the fieldcraft, the understanding of weather, animal behaviour and field butchery - are traditionally passed down and, unless you are part of that small community, difficult to get involved in.

Game shooting Chris Wheatley-Hubbard is one of the lucky ones. He grew up on a 2,500-acre estate in Wiltshire. He has had guns and animals about him all his life - apart from a stint as a graphic designer in London. Initially he learnt his craft from an older keeper and latterly trained as an APSI-certified (Association of Professional Shooting Instructors) advanced shooting instructor. Today Chris also runs bespoke courses for small groups and individuals, so I arranged to spend a couple of days with him at Boyton, the family seat. We discussed my requirements at some length: unlike a driven shoot there would be no guarantees of a kill. Instead I'd build up enough skills to go out and, if I was lucky enough to spot game, dispatch it well and responsibly.

I began by learning to walk. Chris showed me how to place my huge boots carefully so as to make minimum noise when moving through undergrowth and then led me on a half-hour silent walk along the edges of a field. It seemed odd at first, embarrassing for someone who had probably not spent 10 waking minutes in silence in 20 years, but within a short time I was adjusting to "the baseline": the sights, sounds and smells of the environment. The art of tracking is less in being able to identify a species from its footprint and more in allowing the brain's natural, deep-buried pattern-recognition software to alert you to subtle variations on the normal.

Next came a surprise. I'd expected a shotgun - the most common weapon for hunting in the UK, with a close effective range and a wide lethal spread. Instead, Chris took me to a range set up in a valley and produced a .22 rifle with a crosshair scope (telescopic sight). There are many things for which I owe thanks to my old-fashioned grammar school but I never imagined my Cadet Marksman badge would be one of them. I managed creditably, grouping five shots within 6cm at 75m range, pretty good for an out-of-practice urban hack, but then Chris turned my attention to a second target, a paper deer standing 25m further back. This time there was no convenient aiming point, just, as Chris described it, an imaginary vertical line behind the front leg, which I was to bisect halfway up the body.

I managed to get a cluster of shots in roughly the right place and we walked across the valley to examine the target. I was congratulating myself until Chris lifted the target sheet to reveal a diagram of the deer's vital organs. As a cook, my understanding of animal physiology is pretty good but this was a great deal more immediate. "A little ***high***. You'd have damaged the lungs and possibly the spine. You really need to clear the ribs here ... and hit this area near the heart. That way the hydrostatic shock from the impact bursts blood vessels in the brain and the animal drops where it stands." To my total relief it's a clean kill but, he adds, "it could be better".

Lunch is brief and conversation revolves around "terminal ballistics" - what happens when the bullet enters the animal, how it deforms, expands and damages internal organs. It's not exactly what I'd choose to discuss over a pork pie but I'm beginning to realise that the process of preparing to pull the trigger is a lot more involved than a half hour on a range.

As the afternoon light mellows it's time for the "deer run". With Chris at my shoulder I have to walk silently a route through woods and field where there will be deer-shaped targets. I am to identify each imagined animal, establish that it's safe to shoot, then, staying out of what would be its sightline, get myself and the rifle into a position to take a single shot. The first target glimpsed between trees appears to be a mother with her calf so I move on. The second is a suitable animal but, against a background of brush, I can't be sure where my shot will go if it passes through or misses; another no go. Finally, through binoculars, I spot two deer close together, both suitable targets and one with a clear shot.

As Chris quietly instructs, I drop to my knees behind a rise and crawl what feels like 100m or so then drop flat on to my stomach for the final 50m, dragging myself forward on my elbows, pushing the rifle ahead of me. I am momentarily fazed as my chin narrowly avoids a crisp mound of sheep droppings but at Chris's urging I push through. My breathing is now strained, my heart thundering and my brain racing as we crest the ridge to see the target straight ahead.

As I push the rifle into position and Chris slips in the magazine I realise that everything I managed to do on the range now feels almost impossible. I can't get the scope into position to see through it; sweat is pouring into my eye. As I finally see light through the scope I can't find the damn deer. I breathe deeper and try to calm my nerves. The shape comes into view more by luck than judgment and I begin the procedure of cocking the rifle, placing my finger correctly on the trigger and counting breaths. There's a suppressed crack and the job is done.

We stand next to the target and examine the shot. Chris is pleased that it was clean, though a little ***high*** and left for perfection - a result of misjudged range and too sudden a pull at the trigger. I, on the other hand, am suddenly shaking.

The target, about the size of a large dog, has been accurately hit - I remembered most of what I'd been taught - but it felt like I'd taken a couple of minutes to sort myself out before pulling the trigger. A plywood shape is hard enough to hit but a real animal moves unpredictably and suddenly, and all the gory conversation over lunch comes into sobering perspective. Missing an animal would be humiliating and frustrating but an inaccurate hit would be catastrophic. The responsibility of making that single shot count has become very real. I talk to Chris about my worries.

"I'm really glad you're getting it," he says. "It's a huge responsibility and there are lots of unpredictable factors. Everyone who hunts will take a bad shot at some point but you train so you minimise that chance. A good shooter who makes a bad shot will go straight back to the range and practise for hours before they consider going out again."

As the sun begins to sink we set off in search of real game. I am secretly relieved at the absence of deer. I might have the philosophy squared away to my satisfaction but I'm not sure my technical skills are up to the job. The responsibility for taking a bad shot while under stress is beginning to weigh heavily then, quite suddenly, Chris spots rabbit at a distance I can barely perceive. You, like me, may have seen them in glorious abundance on motorway verges, oblivious to us, but this is not how they behave in their natural environment. Unused to cars and people and wary of predators from foxes to red kites, they occasionally pop up from their warrens but will bolt back underground at the sight or smell of a human.

The choice of the rifle suddenly makes sense - you'd never get close enough with a shotgun. For this reason I'm unprepared for a half-kilometre speed-hike, uphill and upwind of the two rabbits, the long and agonising crawl over wet, thistly, broken ground and a final slither downwards, amply lubricated by more sheep droppings, on to a ridge above the rabbits.

Again, it takes a while to settle myself and this time the targets are smaller and moving. Chris is at my shoulder, whispering quietly. "Left hand one. Wait till it turns sideways on. Brace the stock with your free hand."

"I've lost it."

"Breathe ... and find it again. Wait ... wait ... "

As I squeeze the shot, I blink. The bullet makes an odd, drum-like sound but I can see nothing through the scope.

"Reload. Move right," says Chris. "Take the second one."

The second rabbit is clear in the sight now and I feel suddenly confident - too confident. The shot kicks up dust an inch behind its tail. The rabbit seems unperturbed.

"Reload ... "

I reload and fire the four rounds remaining in the magazine, unerringly grouping them an inch behind the rabbit's tail. Once again the incorrect positioning of my trigger finger is dragging the rifle far enough offline to make a difference. At this range and on a small target, it's enough to spare the rabbit, which looks calmly around and disappears down its burrow before we can consider reloading.

As we scramble down the bank I'm surprised to find the first rabbit. A mercifully accurate shot. It's lying entirely placid with eyes wide open. There's a tiny entry wound exactly on the line and a slightly larger exit on the opposite side of its neck. "That noise [was] the shockwave as the bullet hits," says Chris. "An instant kill."

We gut and skin in the field, the messy yet oddly intimate process that somehow translates the rabbit from creature to meat. We head home and soon I'm back on more familiar territory, the butchery at the farm shop where we bone the rabbit and wrap the saddle around the chopped and seasoned leg meat to make a simple ballotine. It is literally a handful of meat and obtaining it from a live animal has been a two-day process - probably the most labour-intensive method imaginable. Yet, as I had hoped, every step has made me think more about what my decision to eat meat has meant. More particularly I realise that, as a society, we've made this rite of passage all but unattainable when, in a fairer world, it would be compulsory.

Tim Hayward is an FT Weekend contributing writer; Twitter: @TimHayward

Four Feathers Shooting School, Boyton Estate, Warminster, Wiltshire, BA12 0SS, *www.ff-ruralcourses.co.uk*; prices from £750 for a three-day residential weekender; prices for bespoke courses on request

Apple fades in race to conquer TV

At Walmart's annual meeting last year Doug McMillon took the stage and made a cocktail. He poured a can of Coca-Cola into a glass of cumin, black pepper and lemon juice to make an Indian masala coke. "Can you start to imagine what that tastes like?" he asked.

Mr McMillon, head of Walmart's international business, needed a guinea pig: "Where is Mike Duke?" he asked. "Mike, c'mere." Mr Duke, his boss and Walmart's chief executive, came forward, took a long slurp, and declared "fantastic" - unconvincingly. As he returned to his seat, Mr McMillon said: "You know that taste you have in your mouth right now? That taste is gonna be there for about 48 hours." The audience of Walmart employees burst into laughter.

The moment was typical of Mr McMillon, who is renowned as a soft-spoken southern charmer - but one with a hard edge. That day he came across like a precocious teenager having fun at the expense of his ponderous father. Now it is time for him to take over the family shop. Walmart said this week that Mr McMillon would become its chief executive on February 1.

The 47-year-old is very much a child of Walmart, where he has worked for nearly three decades, schooled in the folksy yet ruthless ways of its founder Sam Walton. He grew up in Walmart's home ***state*** of Arkansas and is a favourite of the children of "Mr Sam". Their near 50 per cent stake in Walmart gives them the final say on big decisions at head office in Bentonville, as well as a $130bn fortune.

Mr McMillon will be taking over a business that, with sales of $469bn last year, ranks as the world's biggest company, but he will inherit a raft of challenges. Walmart has been too ***slow*** to change in the US, where its sales are falling, and too hasty overseas, where he has increased annual revenues by nearly $37bn but made mistakes in a rush to expand in China and Brazil. He is also likely to be in charge at the conclusion of a corruption probe that began with bribery allegations in Mexico but has extended to Brazil, China and India.

Mr McMillon first worked for Walmart as a teenage warehouse hand in the summer of 1984. He met his wife Shelley at another summer job at the Bank of Bentonville. In 1990, while he was studying for his MBA at the University of Tulsa in Oklahoma, he rejoined Walmart as a trainee buyer at store 894.

Robert Morris, a friend at the time, recalls winning a church basketball tournament with Mr McMillon. "He was literally one of those guys everyone liked. He had it all. He was good looking, good at sports, he was smart, he had great work ethic," he says. "All the guys loved him and all the girls loved him too."

Mr McMillon moved to Walmart headquarters in 1991. Arriving then, the year before Mr Walton died when he was still chairman, gave him first-hand Mr Sam stories that Mr Duke, a later arrival, never had. On his first day, Mr McMillon found a note on his desk complaining that fishing line at Kmart was cheaper than Walmart's. He handed it to his boss, who reacted with horror: "This is from Sam Walton. Have you fixed it?" The lesson, according to Mr McMillon, was to pay attention to detail and act with urgency.

He rose through the ranks mostly as a merchant picking Walmart products. Then in 2006 he took charge of Sam's Club, Walmart's buy-in-bulk warehouse store, before becoming chief of its international business in 2009.

Mike Cockrell, a former executive who worked for him in India, says that Mr McMillon set about visiting the most important markets - and brought his wife and two sons. "It sort of humanised him in all of the countries. And it gave his family a good understanding of what his job was. The reason he's going to be gone a lot."

On the job Mr McMillon is deliberate and decisive, Mr Cockrell adds. "He's got ***high*** standards for people that work with him or around him. He's got a very low tolerance for people who make errors - and that is a Walmart thing. He'll allow you to fail once. You don't want to make the same mistake twice."

Walmart's critics say it underpays its staff, a charge the retailer rejects. John Marshall of the United Food and Commercial Workers union says: "The jury is out on Doug McMillon." The optimistic view is that he will do things differently. "The cynical view is that the choice of McMillon, who has been the heir apparent for many years, represents a continuation of Bentonville's rigidly anti-worker philosophy."

Cameron Smith, a Bentonville headhunter who works with Walmart and its suppliers, says Mr McMillon is one of the few genuine "keepers of the culture". That moniker is often applied to Don Soderquist, an executive who became Mr Walton's standard bearer (and wrote that he founded the company on "principles found in the Bible"). When Mr Smith shared a table with both men this year, he says, "I reached over and snapped a picture because I thought, wow, this is past and future".

Leslie Dach, who stepped down this year as a Walmart executive, says you can believe in the culture and also push for modernisation. He stresses that Mr McMillon has done both. Analysts say Walmart needs to change in the US because its giant Supercenters are getting old as shoppers turn to convenience stores and ecommerce. In several emerging markets, Walmart is yet to crack the right combination of pricing, products, store design and location.

At this year's annual meeting, Mr McMillon had his boss performing again. Calling Mr Duke on stage, he said: "We've never seen him demonstrate his athletic ability." He had brought a set of football goalposts guarded by a Brazilian keeper and wanted Mr Duke to take a penalty kick. Mr Duke had other ideas, bringing in a ringer to take the shot. "That's not right," Mr McMillon complained. Mr Duke's stand-in missed the goal, blazing the ball ***high*** over the bar (he was English). Sam Walton's children need Mr McMillon to be a surer shot.

The writer is US retail correspondent

As December arrives, the filming and production of Christmas specials is in full swing. Last year I agreed to humiliate myself beyond belief by appearing on Christmas University Challenge. This year, surely, it would not be possible to show myself up still further. But indeed it was. My manager, a Prominent Theatrical Agent, suggested that I participate in the Christmas series of Come Dine with Me. Why ever not?, I thought.

A confession. When I agreed to do the programme, I had never seen it. I still hadn't seen it when we started filming. For those of you similarly unacquainted with the show, the format is a competition that runs over five nights. Contestants take turns to dine at each other's homes. Each evening is then scored, taking in the food, the hospitality and any entertainment. The prize is a £1,000 donation to charity, which seems to me worthy of effort.

Besides, how difficult could it be? A few evenings - albeit ones requiring a different camera-friendly outfit each night - of going to people's houses for dinner plus a day at home cooking, followed by an evening entertaining people I might otherwise never have met.

Once I had signed up, I started to reflect on what I had taken on. You do not learn who your fellow guests are until the first dinner. I knew that the others would be drawn from the world of entertainment and sport and that there was a good chance that I - someone who would always choose The Economist over Hello! - might not recognise some of them. I also knew that guests usually arrive with a gift for the host. But what to give someone you have never met?

My first concern when I embarked on the project was that four total strangers and a TV crew were going to be visiting my house. Naturally, we started Operation Clean-up: how is it that I have accumulated so much stuff? "Stuff" just appears everywhere - it seems almost to breed. I really admire people who manage not only clean-desk policies but clean-house policies; alas, I am not one of them.

My second concern was what I was going to cook. I almost never don an apron these days: Mr M is the Chef Laureate. Could I possibly outsource the cooking to him or to the pub next door? No, I could not.

My fellow contestants were Rebecca Adlington, the Olympic gold medallist swimmer, Jennifer Ellison, the actress and singer, Alex Carter, the soap actor and radio presenter, and the very handsome Rav Wilding, a former policeman in Peckham who now presents crime and action shows.

At times, I felt like I had landed from Mars. Four out of five of us had Wikipedia entries; I was not one of them. Four out of five of us left school at 16; I was not one of them. Four out of five of us did not have a PAYE job; I was not one of them. Three out of five of us had a tattoo; I was not one of them.

The others were also very familiar with celebrity reality shows: Ellison had won Hell's Kitchen in 2004 and made the quarter finals of last year's Dancing On Ice; Wilding was in Strictly Come Dancing in 2009 and won 71 Degrees North in 2011; and Adlington went almost straight from my dining room to Australia to take part in I'm a Celebrity . . . Get Me Out of Here! I am old enough to be the mother of every one of them, just. But we all got on really well and in my companions I recognised the energy, work ethic and enthusiasm for life that I have myself.

I cooked venison, a seasonal favourite of mine. Who won? You will have to tune in to find out; the show will probably go out the week before Christmas. But I won't be watching: our family will be in Australia, celebrating my mother-in-law's 80th birthday. This will be just as scary as Come Dine with Me, presenting yet another occasion for which one must buy a special present and dress up for a dinner. I may well be in for another humiliation - but at least it won't be on national TV.

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One of the world's strangest astronomical observatories, based on a cubic kilometre of Antarctic ice, has opened a new window on the universe. The $270m IceCube facility at the South Pole has started to detect ***high***-energy cosmic neutrinos - subatomic particles that reach Earth from deep space.

Ordinary telescopes look at incoming photons (light particles) at various wavelengths, from radio through visible to X-rays and gamma rays. IceCube, however, sees neutrinos, which stream across the universe in unimaginable quantities but are extremely hard to detect because, unlike photons, they hardly ever interact with ordinary matter. They carry no electric charge and very little mass.

The US-led IceCube consortium chose the inhospitable polar location to maximise the chance of observing cosmic neutrinos. They melted holes in the ice cap and lowered 5,160 light detectors to depths of between 1,500m and 2,000m beneath the surface.

Although trillions of neutrinos travel unscathed through the observatory every second, a precious few arrive at exactly the right angle to hit an atom in the ice. This collision generates electrically charged particles which radiate light that is picked up by the detectors. Then computers calculate the energy and incoming direction of the neutrino from the pattern and intensity of the light emitted.

(A similar method, with detectors buried in deep mines rather than Antarctic ice, is being used - so far without success - to identify the more elusive particles of "dark matter" that pervade the universe, according to cosmologists' confident predictions.)

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> In a paper in Science last week, the IceCube team said that they had detected 28 ***high***-energy neutrinos coming from beyond the solar system over two years. Lower-energy neutrinos reach us in vast numbers from the sun and also from the interaction between cosmic rays and Earth's upper atmosphere.

These 28 neutrinos are too small a sample to derive any conclusions about what produced them, but whatever it is must generate staggeringly ***high*** energies. Two of the detected neutrinos had more energy than a fly in flight, packed into a single subatomic particle.Likely sources include supernovae - exploding stars - and material being sucked into huge black holes.

The great advantage of neutrinos as astronomers' probes is that they travel in absolutely straight lines from their source without being deflected by magnetic fields or absorbed by matter. They escape more readily than photons from, say, the core of a supernova.

"It is gratifying to finally see what we have been looking for," says Francis Halzen of the University of Wisconsin and IceCube principal investigator. "This is the dawn of a new age of astronomy."

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Resurrection plants: designed to survive

The plant-breeding industry is making a big effort to develop crop varieties that are more tolerant of drought - through both conventional techniques and genetic manipulation. Few modifications would do more to extend world agriculture than enabling crops to grow in really dry conditions.

For Jill Farrant, professor of plant physiology at the University of Cape Town, the answer lies in "resurrection plants". Most plants die when they lose 10 to 45 per cent of the water in their tissues; resurrection plants can survive for years with 95 per cent water loss and then spring back to life within a day or two of rehydration.

"Only about 350 plants - 0.1 per cent of the total number of species in the world - can tolerate extreme water loss and then revive on rehydration, and 90 per cent of them occur in southern Africa," says Farrant.

Resurrection plants are not edible, however. "Their leaves are very bitter," says Farrant. "No animals will eat them." So she is investigating the molecular and systems biology of resurrection plants with a view to using them as a source of genes to transfer to staple crops such as maize.

Resurrection plants switch on a series of specific genes to protect their tissues as they dry out. Normal plants have some similar genes but these are only active in their seeds, which can often survive desiccation for many years.

"Resurrection plants shut down photosynthesis and curl up their leaves to minimise exposure to light," Farrant says. "They also make sunblocking pigments to protect themselves. With maize, I want to increase the amount of sunblock pigments in the leaves, but it would not be feasible to make maize fold its leaves in drought."

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New light on Michelangelo

The five million tourists who crowd into the Sistine Chapel every year to see Michelangelo's ceiling will have a far better view from next February - the 450th anniversary of the artist's death - when the Vatican switches on a new lighting system to match the illumination to the paintings.

The current lighting system, based on 1980s ***technology***, has conventional spotlights and halogen projectors fitted with plastic covers to absorb ultraviolet light that might damage the paint. This bathes much of the ceiling in a low-contrast twilight that fails to bring out the colours in Michelangelo's masterpiece.

The replacement LED (light emitting diode) system will enable visitors "to experience the art in a completely new diversity of colour", says Osram, the German lighting company that developed it in collaboration with European universities and with EU research funding. Light levels will be 10 times ***higher*** than today - 50-100 lux rather than 5-10 lux - while both energy consumption and ultraviolet radiation levels will be cut.

The 7,000 individual LEDs have a spectrum that is tuned to suit Michelangelo's paint pigments, which were analysed by colour experts at Pannonian University in Hungary. The artist is believed to have mixed his colours in daylight rather than by candlelight or torchlight.

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Predicting height through DNA

Forensic scientists are gradually gathering data to help determine the physical appearance of unknown criminals from genetic material left behind at a crime scene. A study in the Netherlands shows that scientists can now predict with reasonable accuracy whether someone is tall on the basis of DNA alone.

The researchers looked at 180 DNA variants associated with height in a Dutch population sample including 770 very tall people and 9,000 normal controls. Predicting height on the basis of these genes gave an accuracy of 0.75 on a scale from 0.5 (random prediction) to 1.0 (complete accuracy).

"The achieved accuracy is approaching practical relevance in paediatrics and forensics," the scientists conclude in a paper in the journal Human Genetics. Although forensics may be the main application of the work, paediatricians would also benefit from a genetic test that would predict the adult height of infants with parents of abnormal stature, to help decide whether to administer hormone treatment.

Manfred Kayser of Erasmus University Medical Centre in Rotterdam, the study leader, says: "Although the achieved DNA-based prediction accuracy for tall stature is still somewhat lower than we previously established for eye colour, hair colour and age, I expect that upcoming new knowledge on height genetics will further increase the accuracy in predicting tall stature, and eventually the full range of body height, from DNA."

Granny pendant lamp

£201.85, clippings.com

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Bonnet Plaids

From £290, discover-deliver.com

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Bisque Archibald radiator

Available in more than 2,000 colours. £778.80, bisque.co.uk

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Colour Changing Coffee Cup and Saucer

Inspired by the east London Overground line. £19.95, London Transport Museum, ltmuseumshop.co.uk

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Kantha Hottie Cover

£29, toast.co.uk

The line-up: leather

Ally Capellino Specials

For the Christmas season British label Ally Capellino, ***best*** known for its beautifully made leather and waxed cotton bags, has issued a set of limited edition "Specials". These include the "Kodak" (£65), an alluringly old-fashioned collared camera strap made from sturdy bridle leather. There is a slimmer "Ilford" strap too (£55) as well as cushions, umbrellas and purses.

allycapellino.co.uk

Autoban Sleepy Rocking Chair

This chair by Istanbul-based design studio Autoban features a base and arms made from a single piece of wood; it's available in chestnut, walnut, oak and ash. Autoban also offers a choice of leathers (as pictured, in black) and fabrics. Available from the new Staffan Tollgard Design Store off Chelsea Embankment in London - a showcase for the designer's handpicked pieces.

From £1,818, tollgard.co.uk

Loop Mirror

Paul Blease studied ceramic design at Central St Martin's and has an MA in industrial design but his extremely popular Loop Mirror shows his elegant sleight of hand for home furnishings. The mirror comes suspended from a wooden peg with a leather strap that is now available in a small rainbow of colours, from Bordeaux to Royal Blue. The frame is available in walnut or ash.

From £140, beingblease.com or fao-shop.com

Henrietta Lovell, 42, travels the world to source tea direct from farmers for the Rare Tea Company, which she founded in 2004. She supplies exclusive blends to The Fat Duck, Noma and St John, among others.

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What was your childhood ambition?

To fly. Not in an aeroplane - I thought I could learn to fly myself.

Public school or ***state*** school? University or straight into work?

Public school: a boarding school in Oxford and two day schools in London. Then I studied philosophy at Edinburgh University. I loved it, though I wish I'd had a slightly more studious attitude.

Who was or still is your mentor?

No one person, but there are many friends I admire and turn to for advice.

How physically fit are you?

Fighting fit.

Ambition or talent: which matters more to success?

Neither - I think it's tenacity.

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How politically committed are you?

Very - though not party politically committed. I'm an ambassador for the International Festival for Business in Liverpool next year, to encourage UK exports. I think that's the way we're going to move on as a nation. I'm also very committed to our partners in the second and third worlds, and to working fairly with the farmers. Working directly with them means that you can have a collaborative relationship rather than an exploitative one.

Do you consider your carbon footprint?

Absolutely. I think it's a mistake to leave these considerations to governments - business people need to take responsibility.

Do you have more than one home?

No. One tiny little one.

What would you like to own that you don't currently possess?

A secret day when the world stops, everyone else is in suspended animation and I don't have to try to ***keep*** up or catch up.

What's your biggest extravagance?

Going to good restaurants. I love cocktails, I love food and I'm greedy.

In what place are you happiest?

In bed in the morning when I have my first cup of tea. I tiptoe off to the kettle with my eyes still closed, pour the tea in bed and get adjusted to the world.

What ambitions do you still have?

I want people to appreciate good tea the way they appreciate good wine and I'm not there yet. People understand wine and don't mind paying a bit more for something beautifully crafted and delicious. If people felt the same way about tea, people on tea farms would thrive.

If I can make people appreciate tea, it will change the world.

What drives you on?

Caffeine!

What is the greatest achievement of your life so far?

I haven't achieved anything great yet.

What has been your greatest disappointment?

That I can't fly.

If your 20-year-old self could see you now, what would she think?

"Blimey, that really does look like hard work." I don't think I knew what hard work was when I was 20.

If you lost everything tomorrow, what would you do?

Go and live in a bothy in the Highlands and maybe work in a pub, pulling pints.

Do you believe in assisted suicide?

Yes, absolutely.

Do you believe in an afterlife?

No, but that doesn't worry me. I love the poem by Edna St Vincent Millay: "My candle burns at both ends/It will not last the night/But ah, my foes, and oh, my friends/It gives a lovely light!" My life is very busy and adventurous and at the end it will be a nice rest.

If you had to rate your satisfaction with your life so far, out of 10, what would you score?

Ten. I have an optimistic outlook.

Two men carried out the "cowardly and callous" murder of soldier Lee Rigby, running him over by car and then trying to decapitate him, with one witness describing the actions "like a butcher attacking a joint of meat", prosecutors have alleged.

Michael Adebolajo, 28, and Michael Adebowale, 22, have been accused of the murder of Rigby near the Woolwich barracks in southeast London. The men, who are being tried by a jury at the Old Bailey, deny the charges against them.

Prosecutor Richard Whittam QC, opening the case, told the court that "the circumstances of his death are shocking".

The court was shown graphic CCTV footage of the moment the men's car allegedly mowed down the soldier. It was later shown clips of his body in the middle of the road. Some of Rigby's relatives left the courtroom close to tears as the footage was played.

The jury was told that on May 22, the two defendants drove a Vauxhall Tigra car straight at Rigby as he walked across the road in civilian clothes, wearing a Help for Heroes hoodie top and carrying a camouflage backpack.

Mr Whittam told the jury the two men then got out of the car armed with a meat cleaver and knives and attacked the motionless body of the soldier. He was "repeatedly stabbed" and the prosecutor claimed it appeared that "Michael Adebolajo made a serious and almost successful attempt to decapitate him with multiple blows to his neck made with the meat cleaver".

At the same time as Mr Adebolajo used the meat cleaver, Mr Adebowale was using a knife to stab and cut at Rigby's body, Mr Whittam alleged.

The prosecutor told the court that one witness, Gary Perkins, had described the actions as being "like a butcher attacking a joint of meat".

Another witness, Thomas Seymour, described that he believed one man "was trying to cut the victim's head off", Mr Whittam recounted.

He added that Amanda Bailey, another witness, had told how the driver of the car "repeatedly hacked at the right side of his neck just below the jaw line".

The court heard that the two men dragged Rigby's body into the road because they wanted members of the public to see what they had done.

The jury was also shown footage of Mr Adebolajo with bloodied hands, who could be heard saying: "The only reason why we've killed this man today, is because Muslims are dying daily by British soldiers."

A letter containing religious references was also handed by Mr Adebolajo to one woman at the scene.

The jury was told that members of the public behaved with "bravery and decency" and one woman tried to stroke the lifeless body of the soldier "to provide some comfort and humanity to what had unfolded".

The suspects then moved towards a police car as it arrived at the scene, which was within yards of a primary school, prosecutors said.

Mr Adebolajo and Mr Adebowale both deny one count of murder and one of conspiracy to murder a police officer. They also face a charge of attempted murder of a police officer, which they also deny.

The trial continues.

I have become my Uncle Cyril. The moment was bound to come and now it has. I should be clear at this point that there is nothing wrong with Uncle Cyril or any of the sundry "aunts and uncles" that comprised the key members of that universally recognisable group, the old friends of your parents.

These so-called aunts and uncles were probably no more than 40 when I became aware of them but they were unarguably part of a different era. Naturally they were all at my wedding, where they sat with the other oldies at the oldies' table, until halfway through the evening the band struck up some oldies' music and all of them suddenly got up and danced in an oldie way.

Anyway, last weekend marked my evolution as I enjoyed my first wedding as an oldie - the precise definition being someone about whose presence the happy couple are utterly indifferent, part of the crowd that at least one of them refers to as the "hangers-on". To be fair, there is a second cousin-ish bond between the bride and my wife but, fundamentally, we were in the "friends of my parents" cohort. It was, I should say, a lovely, warm, joyful affair but we were distinctly aware that, as people began to coalesce into groups, we were in the one that knew none of the couple's friends. As to the groom, I'm fairly sure that he would still struggle to pick me out in a police line-up.

Admittedly the boundaries between the generations have slipped enough for the divide to be less marked than it was at my own wedding. For one thing, a key facet of being in the oldie crowd is demonstrating that you are still young enough not to be. In fact, now that I think about it, showing you are still young enough has been a feature of a number of recent parties. You have the 50th birthday parties where everyone pretends they are still 40, and 40th birthday parties where everyone pretends they are still 20. The latter are often themed evenings - Seventies or Eighties nights, where everyone tries to squeeze into the kind of clothes they were wearing 20 years earlier. (Who knew flares were so comfortable?) Happily, I can still attend fancy-dress parties as one of the Blues Brothers; it's just that there is no longer any pretending I'm the Dan Aykroyd character.

But at least at these events we are all in the same boat. It is different at weddings. The cool kids do not want to be in the way when a herd of middle-aged relatives stampede on to the floor to dance Gangnam-style. You see the teens and twentysomethings melting away to smirk by the bar. At least the oldies of my youth could dance. They knew how to jive and swing. We only know comedy dances and how to make the letters of the YMCA. On the upside, however, it clearly alarms the spawn; the boy has already begun asking us to refuse invitations to receptions that he is attending.

Still, the hosts at the wedding were nothing if not considerate and did their ***best*** to cater for us. There can surely be no other explanation for why the band suddenly launched into Dire Straits' "Walk of Life" - a fine song but not one you expect to find on any self-respecting millennial's playlist.

There are worse fates at weddings, however. At least we were not on the miscellaneous table, among the disparate group of guests who are not part of any particular crowd and who open all conversations with "So how do you know ?"

Of course, there will be weddings of closer relatives where we are on less of an outer ring. But standing at the bar on Sunday night happily singing along to a song recorded before either of the couple was even born, I recognised that I had indisputably passed one more milestone on the journey towards decrepitude. I have hit the level at which you remain until you are so old that your mere presence is a minor miracle and you are singled out in the groom's speech for a special mention just by dint of not yet being dead. You may be ancient, wheelchair-bound and afflicted with umpteen complaints but at least you are relevant. It's something to look forward to, I suppose.

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We were talking about things that made us anxious, as groups of doctors sometimes do. "My fear," said my colleague, a GP registrar, "is that I will see someone for 10 minutes, in between the nail infection and the bad back and the odd-looking mole and the cough - and she will be the one who is really in trouble. And I'm going to miss it. And then she will go off somewhere and kill herself." My colleague used to be a surgeon. "I could sit on an abdominal pain [ie wait and see], and feel confident I was right: this was appendicitis, this probably wasn't, this needed a little more time to evolve. And if you were in doubt, you could always give them a Swann-Morton scan [Swann-Morton is a Sheffield manufacturer of surgical tools: this is local slang for performing an operation]. But with mental health I just can't get a feel for how much danger they're in."

There are obvious pathways to diagnosis: history, examination, investigation. But softer skills are also vital. You must be able to recognise when something is serious. This apparently intuitive gift is often just the ability to summarise the facts and apply them to the appearance of the patient: the so-called "end of the bed test". You can tell your colleagues "he doesn't look right" and everyone knows exactly what you mean. With experience you learn to identify the sick, or those in danger of becoming sicker. But what kind of informed glance can we give our depressed patients at an appointment lasting just a few minutes?

In Britain, GPs train by rotating through a mixture of jobs in general practice and hospital specialities. There is no set roster of posts; and the hospitals must meet their staffing needs, which influences the jobs you are given. You may or may not do a rotation in obstetrics, or paediatrics, or ENT. And it is easily possible to qualify without ever having held a psychiatric post - your experience of serious psychiatric illness may well be limited to a few weeks' internship at medical school. Nice ***states*** that one in three GP consultations has a mental-health element and 90 per cent of mental-health problems are treated in primary care. When you start consulting in this unfamiliar field you can feel like a cat without whiskers.

Which is why you need to become comfortable with the tools, even if some of them are blunt. You need to know what to ask, and how to phrase it, and how to react to the reply. And you must find out if your patient is thinking of hurting himself or herself, by saying something like, "Do you have any thoughts about harming yourself?"

The first time you ask this, the question seems to hang between you. "I shouldn't have said that," your non-medical brain thinks. You feel sick with nerves. Not only have you infringed a taboo, the private space of someone's anguish, but also you worry that you've given them an idea. After a few years of consultation, it becomes inconceivable that you wouldn't ask. Where else can someone confide? And how can they tell you anything - especially something so painful - if you don't give them the explicit space in which to do it, or take away the stigma by offering the thought first? The question is there in the PHQ-9 (the questionnaire GPs use to monitor the severity of depression - usually unfeelingly administered by handing the patient a printout and asking them to tick off their responses). Avoiding painful topics is bad practice, not to mention medicolegally indefensible. Making things better is a whole other subject.

Sophie Harrison is a hospital doctor in South Yorkshire

I recently gave a talk at a large venue to nearly 1,000 people. It seemed to go well but who am I to judge? The experience of giving a speech is radically different from the experience of listening to one. An adrenalin-drenched emotional rollercoaster for a nervous speaker may nevertheless be unbearably tedious for the listeners. A superbly honed performance may produce a sense of suspense, surprise and delight for the audience; the result of many hours of rehearsal and repetition for the speaker. Yet it can be very hard indeed for the speaker to know what worked and what didn't.

Audience comments aren't much help, either. People are polite, and they know that giving a speech is difficult, so a handshake and a "well done" could mean anything from "you moved me to tears" to "you bored me to tears". A speaker can float through talk after talk in a warm bath of gently encouraging remarks.

On this particular day, though, I was in for less of a warm bath, more of a bracing shower. The Geoffrey Boycott of personal financial advisers was in the audience - a tall Yorkshireman with lots of unvarnished opinions that he felt duty-bound to share with me in the lobby afterwards.

"For a start, I ***kept*** wanting to offer you my tie. Next time, wear one. And your shoes - I notice things like that." He gestured towards my evidently-slightly-too-comfortable footwear.

"But that's not what I wanted to tell you," he continued. I waited, a little bemused. "Your first slide, instead of just telling us that it was John Maynard Keynes, you could have asked, 'Does anyone know who this is? Anyone?' It just gets your audience a bit more involved. I teach public speaking, you see."

I nodded and thanked him for the suggestion but the flow of comments was relentless. "Don't get me wrong, I liked it. But then, what you could have done, was "

As a piece of rhetorical advice, it was too much "public speaking for beginners" to take entirely seriously. But the conversation was an absolute masterclass in how to give feedback: arresting, friendly, frank - and above all specific. My self-appointed speaking coach had identified a set of particular points he wanted done differently, and listed them clearly, with reasons, examples and the occasional word of encouragement.

Such feedback is standard in certain environments - Olympic coaches, editors on deadline and school teachers all provide focused constructive feedback if they're any good. But it is rare for criticism to be quite so practical: it's usually vague and verging on flattery or cruelty.

An alternative is the "praise sandwich", a thin but chewy sliver of specific feedback, squeezed between two thick, doughy slabs of praise. This seems like a common sense way to combine criticism with kindness, but it is not always helpful. The economist Richard Thaler once posited the idea that we practise "hedonic editing" - lumping together good and bad news to make ourselves feel better. (An example: why fret that I lost my wallet, when my house gained thousands of pounds in value just this month?) Hedonic editing allows us to take the rough with the smooth; but that makes it a dangerous way to process critical comments. It helps us feel better but it doesn't help us perform better.

Yet there's no use blaming the critics for being too vague: they're vague because they know that specific criticism is not always welcome. I have taken to seeking out specific suggestions for improvement, when I can muster the courage.

It's draining to ask for such comments. It is also difficult to provide them: if you ask people to think hard about something you should have done differently, they will often be lost for words. But there are certain, glorious exceptions. If they don't buttonhole you in the lobby, they're worth seeking out.

'The Undercover Economist Strikes Back', by Tim Harford, is published by Little, Brown

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Can there be a worse musical experience than Nicole Scherzinger trilling "Memory" from Cats with the Il Divo boys doing their swelling-chest, tightly smiling, pop-operatic business alongside, all set to an arrangement so sugary that you feel an urgent need to wash out your ears and brush your teeth afterwards?

As it happens, yes, there is a worse musical experience. It's Il Divo turning "You'll Never Walk Alone", from Rodger and Hammerstein's Carousel, into the most gaudy and overblown outburst of decibels in the history of human singing.

Il Divo

A Musical Affair

(Syco)

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Emerging from the nocturnal Finnish winter are the jolly young men of Beastmilk whose debut album contains such sidesplitters as "The Wind Blows Through Their Skulls" and "Death Reflects Us".

Those guys! They describe their style as "apocalyptic post-punk", which proves an accurate enough designation for the gloomy riffage of "Nuclear Winter" in which singer Kvohst intones "There's no future" in the deep tones of a 1980s goth who has just been told the local chemist has run out of black eyeliner.

Beastmilk

Climax

(Svart Records)

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It's the perfect commission for British Sea Power: a soundtrack to a documentary of archive footage about Britain's relationship with the sea.

The resulting recording, which comes with a DVD of Penny Woolcock's film From the Sea to the Land Beyond, finds the Brighton band toning down the bombast for a more muted, elegiac style, all gently swelling guitars and hypnotically tugging rhythms, lowing trumpets transmitting a sense of nostalgia for a lost way of life like foghorns in the mist.

British Sea Power

From the Sea to the Land Beyond

(Rough Trade)

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

bEEdEEgEE looks like a talented toddler's first attempts to touch type. In fact it stands for the initials of Brian DeGraw, keyboardist with New York experimentalists Gang Gang Dance, here making his solo debut. An intriguing sprawl it turns out to be too.

Hot Chip's Alexis Taylor lends his tender croon to the very Hot Chippy "(FUTD) Time of Waste" while CSS singer Lovefoxxx crops up on the brooding electro-ballad "Flowers". "Bricks", with its mix of ghostly rave vocals, stop-start beats and fluid bass, sums up both the busyness of DeGraw's imagination and his ability to channel it productively.

bEEdEEgEE

SUM/ONE

(4AD)

Financial Times: Last night [Tuesday] you gave an important speech about the economy; the dire ***state*** of the economy. What are your plans to revive the economy and were you shocked by the ***state*** of economy when you took office?

President Hassan Rouhani: This government has inherited serious economic problems. Although we witness both [economic] stagnation and inflation in the country, we are very hopeful about the future of the country's economy. This is not only my view. My economic team holds a similar view that we can tackle economic problems within a short period of time.

The reason for our hope is that we have been able to curb the fast growth of inflation to some extent over the past three months. I think [point-to-point] inflation has gone down from 43 per cent to 36 per cent. This is a good sign and we will continue this path through two ways of curbing liquidity and improving the business atmosphere.

On the recession, the economic growth rate in 1391 [the Iranian year that ended on March 20 2013] was minus 5.8 per cent, which we will try to pull up to zero by the end of Esfand [the Iranian month that ends on March 20 2014]. In the next [Iranian] year, the economic team has predicted positive growth. Meanwhile, the Geneva [nuclear] agreement has created a positive atmosphere in the economic field and this atmosphere will further improve with the implementation of the agreement.

FT: Does your forecast depend on the lifting of economic sanctions and how important is it for the Iranian economy for sanctions to be lifted?

HR: No. If you go through my [economic] report, you see that under the existing sanctions we have managed to lower inflation. Under the existing sanctions, we have predicted that our economic growth rate will be positive next [Iranian] year. But at the same time if sanctions are lifted or eased, we can naturally see its impacts on the economy.

FT: The interim nuclear deal is very important for mutual trust between Iran and the rest of the world. What can Iran do to reassure people in Washington and Congress that you really want a deal, you don't want to build nuclear weapons? And do you have a red line when it comes to the size of the low-level uranium enrichment programme?

HR: The nuclear activities of the Islamic Republic of Iran as has been repeatedly said will be purely for peaceful purposes. The reason is that all our nuclear activities are under the supervision of the International Atomic Energy Agency. As you know, all our nuclear sites are being constantly inspected with IAEA cameras. And as a matter of principle, our doctrine has no room for weapons of mass destruction. How much we will expand [uranium] enrichment or as you put it how big the size is going to be will depend on our needs for nuclear fuel.

You know that we have completed other parts in Iran to make fuel rods and with the plan that we have given to the IAEA, almost from now on whatever [uranium] is enriched will be converted into fuel rods for the [Tehran Research] Reactor.

FT: Is dismantling nuclear facilities in Iran a red line for your government?

HR: 100 per cent.

FT: Obviously this will depend on the future agreement but can you envisage a resumption of bilateral relations with America? Is Iran politically and psychologically ready for such a move? And we shouldn't forget Britain, the smaller fish.

HR: Regarding the US, we need to decrease tensions at this stage and create mutual trust step by step. The problems created over 35 years cannot be resolved over a limited time. The ***best*** test to see whether we are capable of building trust or not is this nuclear issue.

If the first steps taken in Geneva are implemented carefully and precisely, it would mean that we have taken one step forwards towards trust. What I witnessed in New York was a bit of change in the atmosphere compared with the past. I felt in my meetings with intellectuals, university professors and [members of] think-tanks that the [presidential] election has had a lot of impacts.

But as for "the small fish" you mentioned, the situation is very different. We have had relations with the British government that were hugely downgraded under certain conditions.

After [Iran's presidential] election, some steps to improve ties have been taken. In my telephone conversation with Mr [David] Cameron last week, I had a feeling that the two sides were willing to move step by step towards better relations.

FT: Are you ready perhaps in the future to invite President Obama to Tehran? What do you make of him in terms of a political reformer figure?

HR: In our telephone conversation [in September], I found him to be someone with very polite and smart language. As I said earlier, Iran-US problems are very complicated and cannot be resolved over a short period of time. Despite the complications, there has been an opening over the past 100 days, which can later widen.

FT: The nuclear talks are a touchstone and mutual trust is building. Also, your election signalled a change. But there are sceptics in countries such as Israel and Saudi Arabia and conservatives in Washington and in Congress who say we are still very worried about Iran's presence in Syria, its support of Hizbollah. How far can you build trust when you still have those problems, when there is mistrust over Iran's foreign policy?

HR: On Syria, a major concern is the presence of terrorist groups on Syrian soil. This should worry all [countries]. I basically consider the continuation of the bloodshed and civil war in Syria to be against the region's stability. For this reason, I am currently in negotiations with regional and western countries over the future of Syria. We are doing our ***best*** to help put an end to the civil war in Syria and for all terrorists to leave Syria. This will depend on the negotiations between the Syrian government and the opposition to pave the way for holding free elections. Whatever the Syrian people wish for in the election, we all have to surrender to.

FT: Are you involved quietly in negotiations with the Americans and with western powers regarding Syria?

HR: Not with the US. But [we are in talks] with Europeans. If Iran participates in the Geneva II talks [a forthcoming peace conference on Syria], it will naturally talk to all members who will be present there.

FT: You are said to be a natural optimist. But you have to be pretty optimistic if you think Bashar al-Assad is going to step down from power in a free and fair election.

HR: I am not an optimist, but I am not a pessimist, either. I cannot predict the future of Syria. But the ground should be prepared for the people's decision. If people do not vote for Mr Assad, it is fine. Whoever people choose, we will bow to people's choice.

FT: Are you talking to Saudi Arabia regarding Syria in order to contain this conflict and prepare the ground for a settlement?

HR: We are not in negotiations now. But we have no problem to negotiate with Saudi Arabia or any other country. We have had various and close negotiations with the UN special envoy [on Syria], Lakhdar Brahimi. He was in Tehran a couple of days ago and we met. We have close relations and hold negotiations with the UN over the future of Syria.

FT: You won a decisive victory in June partly with the support of reformists. Do you share their view that it needs to be political reform in Iran or are you merely focused on economic efficiency and better relations with the west and your neighbours?

HR: Obviously economic problems and foreign policy are important but these would not stop us from thinking about cultural issues and domestic politics. As I promised during the election [campaign], I am seeking to devise a civil rights charter. With the end of 100 days in office, I put up a draft of the charter on the [president's official] website yesterday so experts can comment on it. I will complete this charter after receiving the views of intellectuals and experts and will present it to the society and will pursue its enforcement. So, this government cannot be bound only to economic and foreign policies.

FT: There's a lot of relief over the nuclear deal and also impatience for change, impatience also at why some political leaders are in jail. Do you feel strong enough in the near future to release [Mir-Hossein] Moussavi and [Mehdi] Karroubi?

HR: Some issues in the country need consensus of other branches and officials. My government is trying to implement its duties in this regard. Of course not within 100 days. More time is needed for such consensus. You called me an optimist. At least in this case, I am optimistic.

FT: When?

HR: I said I am not a forecaster but I am optimistic.

FT: Can the FT assume that on its next visit to Tehran, it can tweet like you and the supreme leader and other very important people in this country?

HR: You can do it even now.

It should be no problem. It will be resolved sooner than your previous question.

FT: Where do you want to see the country at the end of your first term?

HR: The Islamic Republic of Iran at the end of these four years will be in much better condition economically, with regard to regional influence, culturally and politically at home. We have already seen the signs of progress in all these fields during the past 100 days.

FT: One Iranian says it is wonderful that Iran has moved from the Middle Ages to the Renaissance in three months.

HR: I do not agree with such terms. But people's dynamism and cheerfulness during this period have been rising significantly.

Apple fades in race to conquer TV

Iran's president is visibly cheerful as he strides into a sprawling hall at his pink-marbled palace in Tehran. Impeccably dressed in clerical black robe and white turban, Hassan Rouhani, the new gentler face of the Islamic republic, has encouraging news to share with visitors.

Only a few days earlier, Iranians noticed growing signs of fatigue on the 65-year-old president's face, as if he had, in a matter of just a few months, aged several years. But when he spoke to the Financial Times this week, Mr Rouhani had capped his 100 days in office with the first signs of improvement in an economy ravaged by sanctions and the monumental mismanagement of the outgoing administration led by the populist Mahmoud Ahmadi-Nejad.

Most significant was his 99th day, when he delivered the six-month nuclear agreement with world powers, the first easing of tensions with the west in a decade. The deal offered modest relief from punishing international sanctions in return for Iran's suspension of the most controversial parts of its nuclear programme.

Mr Rouhani, an experienced technocrat with a doctoral degree from Glasgow Caledonian University, is breathing a sigh of relief. So is a beleaguered nation of 75m people, weary from the bellicose authoritarianism of its leadership and the pressures from western powers suspicious that Tehran's rapidly advancing nuclear programme is intended to produce nuclear weapons.

One of Mr Rouhani's most troubling discoveries upon taking office was to find the treasury empty. Astonishingly, Iran earned $600bn in oil revenues over the past eight years, more than its total accumulation since oil was discovered more than a century ago. The economy, however, was on the verge of collapse.

"This government has inherited serious economic problems," begins the president, seated under a picture of the two Ayatollahs who cast a long shadow over Iran - the late Ruhollah Khomeini, leader of the 1979 Islamic Revolution, and Ali Khamenei, the supreme leader to whom Mr Rouhani answers. "But we are very hopeful about the future of the country's economy . . . The nuclear deal has created a positive atmosphere."

Since his June election, Mr Rouhani's emphasis on the economy and engagement with the world has begun to change international perceptions of Iran and shift the mood at home.

He has moved quickly to bring back veteran professionals and experienced diplomats, many of whom were marginalised or purged by the previous Ahmadi-Nejad administration.

Yet in Tehran and capitals around the world, Mr Rouhani's intentions are still being tested. The verdict has yet to be delivered on whether his charm offensive is an attempt by Iran to secure temporary relief from international pressure or a signal of a strategic shift in the behaviour of the Islamic regime.

The question on everyone's lips: is Hassan Rouhani for real?

The man

Mr Rouhani comes across as personable and engaging, a man who appears to understand the depth and scope of change required in Iran but also mindful of making promises that are beyond his ability to deliver.

He is forceful and resolute when he speaks of Iran's red lines in negotiations that will now proceed to find a permanent solution to the nuclear programme. Demands in Israel and the US Congress for Iran to dismantle its nuclear facilities meet with firm and swift rejection. No, "100 per cent," he says.

Asked how he could have a Twitter account (and a very active one) when the site is one of many that are blocked in Iran, he deflects the question with humour.

"You can do it even now," he tells his visitors, as the hall packed with aides erupts into laughter. Then, shifting to a serious tone, he suggests that this is the kind of problem that he should be able to resolve soon.

A regime insider whose experience has largely been in the security and diplomatic establishments, Mr Rouhani is more technocrat than cleric. He makes little reference to religion and is said to be particularly fond of studying statistics tables.

He belongs to the conservatives' pragmatic wing that considers diplomatic engagement rather than confrontation essential to the survival of the Islamic Republic.

He is, however, something of an accidental president. Some people who know him suspect he ran in the June election to raise his political profile, rather than because he believed he would win.

It was only after his mentor and ally, the influential Akbar Hashemi Rafsanjani, was barred from the race that he became a serious contender.

The reformist opposition, determined to claim back the presidency it was denied in 2009, allied with Mr Rafsanjani and threw its weight behind the centrist Mr Rouhani in the final days of the campaign. He won an outright victory in the first round.

So surprising was the Rouhani triumph that a story making the rounds in Tehran (though it is not clear if it is fact or legend) has it that at 2am after the election, hundreds of Revolutionary Guards surrounded Mr Rouhani's residence in northern Tehran. He stepped out to meet them unsure whether their presence was designed as protection or a prelude to his arrest.

Part religious authoritarianism, part democracy, Iran's political system needs elections to shore up its legitimacy. But as Iranians discovered in the 2009 flawed presidential vote, even this limited democratic participation is not guaranteed to reflect the people's choice.

The pressures

Mr Rouhani faces a delicate balancing act to fulfil the social and economic expectations of Iranians and satisfy the demands of the outside world. He is conscious that he must tread carefully at home, referring obliquely more than once during the interview to other centres of power.

If Mr Rouhani has put so much emphasis during his first three months on foreign policy, it is probably because success can help him consolidate the authority of the presidency and, most importantly, revive the economy.

For now, the president has secured the support of the supreme leader, the most powerful figure in Iran's theocracy. Ayatollah Khamenei is backing the nuclear negotiations and the economic reforms. Perpetuating this consensus between the two men, however, depends on whether Mr Rouhani can deliver an acceptable final nuclear deal and bring an end to sanctions.

Obtaining a lifting of sanctions, however, requires satisfying a very different constituency - western powers whose restrictions have shut Iran out of the global financial system (between $50bn and $100bn of Iran's foreign exchange holdings are frozen) and slashed its oil exports by more than half.

One of the toughest elements in the negotiations will be the size of the low-level uranium enrichment programme Iran will maintain. The west will want it small; Iran will want it to be as large as possible.

The president says the size should be determined by Iran's domestic needs for nuclear power - a remark that suggests scale but still leaves some room for negotiation.

Mr Rouhani, however, is not waiting for the end of sanctions to wage economic battle. The government, he says, has started to restrict the money supply, reduce inflation and reverse the economic decline.

Among its most egregious actions, the Ahmadi-Nejad administration used Iran's central bank as a piggy bank, ordering it to dole out loans that had little chance of being repaid. Now the central bank has been freed from political pressure, and half-completed provincial projects - another hallmark of the former president's misguided populism - are being cancelled.

Mr Rouhani's team predicts Iran will emerge from recession in the next fiscal year beginning in April.

The hope

Nuclear talks have served another important purpose: to pave the way for a potential historic shift in relations between the US and Iran after decades of hostility.

"Death to America" graffiti is still prominently splashed on facades in the Iranian capital and the slogan is chanted at rallies. But perhaps because of the resolutely anti-American attitude of the regime, the Iranian public is ready, if not eager, to mend ties with America.

So are Washington and Tehran tiptoeing towards a resumption of bilateral relations? Mr Rouhani chooses his words cautiously. The nuclear negotiations, he says, are allowing the two sides to "test" whether they are capable of having a different relationship.

"Problems of 35 years cannot be resolved in a short period of time. We need to decrease tensions at this stage and create mutual trust step by step," he says. "If the steps taken in [the interim nuclear deal agreed in] Geneva are implemented carefully and precisely, it would mean that we have taken one step forward towards trust."

He dodges a question on whether he might invite Barack Obama to Tehran at some stage, but does not dismiss the suggestion outright. He tells the FT about his impressions of the US president, based on the now famous telephone exchange during Mr Rouhani's recent trip to the UN in New York.

"I found him someone with very polite and smart language," he says. "The problems with the US are very complicated . . . but despite the complexities there has been an opening over the past 100 days which can later widen."

The suspicion

As Mr Rouhani engages in a confidence-building exercise with western powers, however, Iran's aggressive regional policies continue to fuel suspicions, particularly with Arab neighbours. Iran and Saudi Arabia, the two regional heavyweights, are fighting a proxy war in Syria, backing opposing sides in the civil war financially and militarily.

As president, Mr Rouhani can influence regional policy. But far more powerful are the hardline military elements in the regime, especially the elite Revolutionary Guard and its al-Quds force.

Mr Rouhani says he is talking to European governments about Syria and is willing to hold broader negotiations if his country takes part in a peace conference scheduled for January (whether Iran will be invited to the talks in Geneva is still unclear).

He points to common concerns with the west in Syria, not least the growing strength of Sunni extremists among the rebels. Iran's solution, he says, is free and fair elections. "Whatever Syrian people wish for in the election, we all have to surrender to."

When the FT suggests that the president must be very optimistic to believe that Syrian leader Bashar al-Assad would abandon power, Mr Rouhani says he is neither optimistic nor pessimistic, acknowledging that he cannot predict the future of Syria.

The difficult balance

Mr Rouhani is seen as a leader in search of economic efficiency rather than the vastly more controversial political change sought by reformists.

Surprisingly, the president rejects this assumption, insisting that economic and political reform must be pursued with equal vigour. "Obviously economic problems and foreign policy are important but these would not stop us from thinking about cultural issues and domestic politics," he says.

Iranians sceptical of his promise for change, however, point to the continued imprisonment of the leaders of the opposition Green movement, Mehdi Karroubi and Mir-Hossein Moussavi. The movement was brutally repressed following the 2009 unrest sparked by the alleged rigging of the presidential vote against Mr Moussavi.

Mr Rouhani says his government is trying to "implement its duties" towards the two men, but cannot resolve the problem within 100 days. "Some issues in this country need consensus of other branches and officials. More time is needed for such consensus. But in this case I am optimistic."

Mr Rouhani appears to have a strategy and - so far at least - the critical support of Ayatollah Khamenei who is muting hardline factions' criticism of nuclear diplomacy.

But just as he desperately needed an interim deal to strengthen his hand at home, Mr Rouhani also needs western reassurance of the benefits of confidence building. His aides warn that another burst of US Congressional sanctions, for example, would not only destroy Mr Rouhani's efforts to restore trust with America, but damage his credibility at home.

The past week has produced a rare moment of hope. It has also highlighted that, within Iran and without, many now have a stake in ***keeping*** a smile on Mr Rouhani's face.

The prize of a nuclear weapons-free and prosperous Iran and a more stable Middle East is enormous - but the process of getting there is also exceedingly fragile.

Hassan Rouhani, Iran's new president, has insisted that Tehran will not dismantle its nuclear facilities, as advocated by Israel and US hawks , but has held out hope for an end to its long estrangement with Washington.

In an interview with the Financial Times in Tehran, Mr Rouhani struck a tough line on Iran's expectations over a comprehensive nuclear deal to be negotiated following last weekend's landmark interim pact.

"One hundred per cent [no]," he said when asked about dismantling nuclear facilities.

While the centrist president, who took office in June, said nuclear weapons had no place in Iran's defence strategy, he made clear that Tehran was determined to maintain a uranium enrichment programme for peaceful purposes.

Mr Rouhani was speaking during a momentous week that capped his 100 days in office and delivered the six-month interim nuclear deal. He said the negotiations were "the ***best*** test" of whether trust could be restored between the US and Iran.

Recalling his telephone conversation with President Barack Obama during Mr Rouhani's recent visit to the UN in New York, he said: "I found him someone with very polite and smart language".

"Iran-US problems are very complicated and cannot be resolved over a short period of time. Despite the complications, there has been an opening over the past 100 days, which can widen later," he said.

The US and Iran broke diplomatic relations after the 1979 Islamic revolution.

The nuclear deal has started to shift the mood of despair in Iran, where an oil-rich economy has been ruined by the populist policies of the predecessor administration of Mahmoud Ahmadi-Nejad, as well as by crippling US and European financial and oil sanctions.

Mr Rouhani's comments contrast with the views of many in the US Congress who believe that a final-stage deal would need to include the closure of the Fordow enrichment facility, built beneath a mountain, and the Arak heavy water reactor, which could be used to manufacture plutonium.

A US Senate aide said of the Iranian president's remarks: "This is precisely the sort of comment that is going to make some people in Congress very nervous."

Although the interim agreement says the US will not impose new nuclear-related sanctions during the next stage of talks, there is strong support in Congress for the introduction of further measures that would take effect if the negotiations collapsed.

Robert Menendez, a senior Democrat and chairman of the Senate foreign relations committee, said on Thursday that such an approach would allow the Obama administration to say to Tehran: "Hey look, this is what's coming if you don't strike a deal."

In the interview at his presidential palace, Mr Rouhani said the removal of sanctions would help his team's economic efforts, but much could be achieved before a lifting of the restrictions through more efficient management.

"If you go through my programme, you will see that under the existing sanctions we have managed to lower the inflation. Under the existing sanctions we have predicted that our economic growth rate will be positive [in the next Iranian fiscal year]," he said. "But, at the same time, if sanctions are lifted or eased, we can naturally see its impact on the economy."

The interim nuclear deal freezes Tehran's atomic advances in return for a modest relief in sanctions. Iran and world powers are seeking to complete a comprehensive agreement in the next six months. The deal is expected to include further and more permanent curbs on Iran's programme and tough monitoring to ensure that no nuclear material is diverted to weapons use.

Among the most contentious issues will be the size of any low-level uranium enrichment facilities that Iran will be allowed to ***keep***, and the fate of some of the plants that pose the greatest worry. Mr Rouhani said the size of the nuclear programme should be determined by his country's energy needs.

In the US, Mr Menendez has been openly critical of the interim agreement. "We basically have the Iranians running in place," he told the NPR network. "We are going to roll back some of our sanctions, but they are rolling back nothing."

He said the White House had been guilty of "fear-mongering" when it suggested that those who supported new sanctions were engaging in a "march to war".

Harry Reid, the Senate majority leader, has said the chamber will "take a look" at the proposal for new sanctions when Congress returns on December 9. But he has been vague about whether he will allow sanctions legislation to proceed.

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

During his lifetime, Romanian conductor Sergiu Celibidache (1912-1996) was overshadowed by Herbert von Karajan and Georg Solti, but his posthumous reputation has grown while interest in more famous contemporaries has fallen. These two DVDs underline the shift.

Celibidache had a deeper philosophy of life: he thought more about music, was less interested in worldly wealth and placed greater emphasis on sharing his knowledge. Busé's film probes Celibidache's background, career and ideas, drawing on documentary evidence as well as interviews with family, students and admirers, including Daniel

Barenboim. It is the ***best*** attempt yet to explain who this mysterious, uncompromising, guru-like figure was, and why he had such an influence on those with whom he came into contact.

Catapulted in 1945 from obscurity to the principal conductorship of the Berlin Philharmonic, "Celi" was later passed over in favour of Karajan, and spent much of his time thereafter conducting radio orchestras - the only ones that would put up with his stubbornness and extravagant rehearsal demands.

Whereas Schmidt-Garre focuses exclusively on the conductor in his dotage, with footage from a single rehearsal sequence in 1991, Busé's documentary is sprinkled with clips from all periods of Celi's life, capturing his phenomenal knowledge, charisma and obsession with musical detail. It also communicates the belief, central to Celi's nomadic life and work, that music is about the relationship between end and beginning, now and eternity. "At the end I am where I was at the start, but at the same time I have undergone a transformation."

Sergiu Celibidache

Firebrand and philosopher

A film by Norbert Busé

(Arthaus Musik)

Celibidache rehearses

Bruckner's Ninth Symphony

Directed by Jan Schmidt-Garre

(Arthaus Musik)

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

The Verdi bicentenary has offered scant opportunity to uncover lesser-known aspects of his oeuvre. This recording of his first opera is a welcome exception.

Verdi disavowed Oberto, but it bears enough of his footprints, including a father-daughter duet and a superb quartet, to merit attention, especially in Hofstetter's stylish concert performance featuring tenor Norman Reinhardt, soprano Francesca Lombardi Mazzulli and bass Adrian Gans.

Verdi

Oberto

Stadttheater Giessen/Michael Hofstetter

(Oehms Classics), 2 CDs

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

Manu Chao's third solo album has never, until now, been released in Britain. It is less accessible than his first, Clandestino (also getting a re-release); the lyrics are all in French and the music relatively subdued rather than Chao's usual joyous bricolage.

But once the fragmented album hits its stride, on "100 000 Remords" and "Te Tromper", there is much to enjoy. Long-time fans will have no regrets; newcomers should start with Clandestino.

Manu Chao

Siberie M'Etait Contentéee

(Because)

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

Archie Shepp released the funk-backed big band and vocals album Attica Blues in 1972, in outraged response to the murderous put down of the previous year's riot in Attica prison.

This live CD, culled from two French festival performances, reprises the original repertoire and adds Ellington's "Come Sunday" and the saxophonist's James Brown influenced composition "Mama Too Tight". Like the original, it's slightly loose at the edges, but Shepp is gruffly on form, Amine Claudine Myers is among the vocals and trumpeter Ambrose Akinmusire shines.

Archie Shepp Attica Blues Orchestra

I Hear the Sound

(Archieball)

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

The Sachal Studios Orchestra, Pakistan's rough equivalent of the Buena Vista Social Club, had a hit with their arrangement of Dave Brubeck's "Take Five", and most of this album tries to repeat the same trick, placing Western standards by everyone from Stevie Wonder to Lennon/McCartney in a Lahore studio with sitar and dhalaks and tabla.

More interesting are the homegrown "Monsson" and "Five Rivers".

Sachal Studios Orchestra

Jazz And All That

(Sachal Music)

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

Gretchen Parlato's whispered, bittersweet vocals border on the mannered. But each note breathes steely resolve and each breath is perfectly placed over the paired-down beats of her outstanding band.

The repertoire is classic 60s jazz mixed with classy pop - Herbie Hancock's "Butterfly" and Simply Red's "Holding Back the Years" define the parameters - but the songs are stretched out and stamped with Parlato's unique musical personality. Taylor Eigsti delivers atmospheric Rhodes, Alan Hampton is on bass and either Mark Guiliana or Kendrick Scott on drums.

Gretchen Parlato

Live in NYC

(Obliqsound, CD & DVD)

The tabular content relating to this article is not available to view. Apologies in advance for the inconvenience caused.

Britney Jean's lead single "Work Bitch" - a preposterous banger produced by will.i.am in which Britney Spears commands credulous listeners to work their assets (emphasis on the first syllable) in order to live like modern-day Marie Antoinettes - turns out to be a red herring.

The rest of the album is calmer, more mature and, oh dear, duller. EDM production tics (booming bass, wild synthesisers) are shoehorned into mid-tempo plodders such as "Til It's Gone" which have no real interest in the dancefloor.

Meanwhile an over-preponderance of ballads makes good on Spears' promise, or threat, to deliver her most "personal" record yet. Her vocals sound less artificial than usual, which may of course be a particularly sophisticated piece of computer trickery, but it would be a stretch to describe them as convincingly emotional.

"I try to act natural," she sings in "Perfume", which finds her wanting to mark a faithless mate with perfume in order to ward off other women. The self-identification with a synthetic product is typical of the singer's cybernautic style; what's untypical is the lack of drive with which Britney Jean animates it.

Britney Spears

Britney Jean

(RCA)

As pro-European protesters streamed for the ninth day into the same central Kiev square that was the focal point of Ukraine's pro-democracy Orange Revolution in 2004, they carried with them the same question: might their demonstrations shake the political landscape or would they instead be a deeply felt - but fleeting - expression of rage?

It was too soon to know on Friday. But the city was growing tense as anger mounted over President Viktor Yanukovich's failure to sign an integration deal with the EU at a summit in Lithuania.

Heavyset, allegedly pro-government youths - some armed with steel bars - had also appeared in the city centre. Witnesses said some youths had beaten up two journalists, and clashed with anti-government protesters.

These demonstrations differ in important respects from the 2004 uprising, when as many as 1m thronged downtown Kiev. The biggest crowd this time has been the more than 100,000 last Sunday.

Unlike the well-planned 2004 protests over a rigged ballot, which had initially handed victory to Mr Yanukovich, these rallies have been largely spontaneous, sparked by social media, and have caught Ukraine's political opposition unprepared.

"Many people came with ***high*** hopes but it's not clear what to do now," said Halyna Oliynyk, a 50-year-old Kiev museum employee. "There is a void in organisation and leadership. The politicians were sidelined by grassroots activists and students, but in my view they now need to lead the people forward."

As the Vilnius summit ended on Friday, EU leaders sought to turn up the pressure by rebuking Russia in unusually blunt terms for pressurising Mr Yanukovich.

"Actions taken by Russia [towards] Eastern Partnership countries are incompatible with how international relations should function on our continent in the 21st century," said Herman Van Rompuy, European Council president, adding that Moscow's actions breached international treaties giving sovereign countries the right to "freely define relations" with other ***states***.

Mr Yanukovich, meanwhile, said that Brussels had failed to take "decisive steps" to deliver a "programme of financial-economic aid" to help Kiev deal with a severe cash crunch and offset Russian trade retaliation.

In Kiev, the protests have been hampered by the fact that Ukraine's political opposition is fragmented and lacking figures with the popularity of Viktor Yushchenko and charisma of Yulia Tymoshenko, the Orange Revolution leaders.

Mr Yushchenko, who became president after the revolution, is no longer a political player after a presidency that failed to deliver on protesters' hopes. Ms Tymoshenko, who lost to Mr Yanukovich in 2010 presidential elections deemed to be generally fair, was imprisoned in 2011 on abuse of office charges that many Ukrainians and EU leaders believe were politically motivated.

There are fears Mr Yanukovich's government may be more prepared to crush mass protests than the administration of departing president Leonid Kuchma was in 2004. Presidential allies have bussed in supporters for rival pro-government rallies, including one earlier on Friday at which many participants openly admitted they had been paid to attend.

Anti-government protesters were on Friday uncertain of how to go forward. Gathering in street underpasses, cafés or huddling around oil barrels used as heaters to ***keep*** warm amid freezing rain and sleet, they sang Ukrainian folk and patriotic songs to lift spirits.

"There are two views," said one protest organiser, who asked to remain anonymous. "To dissolve the protests for now, coming back later in larger numbers, or the radical scenario - to stay on the streets, putting more pressure on Mr Yanukovich, calling for snap presidential and parliamentary elections, blocking government buildings or even - in theory - toppling his regime . . . If we muster crowds of 300,000, some think we can achieve this."

A decision this week by university students to strike has kindled hopes that large numbers could be mustered.

There were also nascent signs that anger at Mr Yanukovich was bringing together one-time opponents. Vitali Klitschko, the world heavyweight boxing champion who is now Ukraine's most popular politician, and Arseny Yatseniuk, leader of Ms Tymoshenko's party, sat with others at a joint news conference in Vilnius earlier on Friday and declared they were united.

Leading opposition figures have suggested, however, their main focus is to try and force Mr Yanukovich from power not in the streets but at the ballot box in a presidential election due in spring 2015.

Valentyn Strasser, a 50-year-old programmer taking part in the protests, said young Ukrainians needed time to organise before the presidential poll.

"The president is a bandit and it is clear his ruling regime will not give up power democratically," he said. "We need a revolution to push his ruling regime aside."

It's coming up to that season again. No, not the December holiday season, but the rainy season in Iraq, which lasts from about now until March, during which the dust storms that plague low altitude air operations, and any other rotating precision machinery, are at least partly dampened.

From Tel Nof to Tehran, young people are looking intently at the bright lights of their battle management system displays.

While the world's diplomats and headline writers are celebrating the possibility of peace among men, or at least between the western allies and Iran, not every person in the financial markets seems to be quite so optimistic.

You will recall how interested we've been in Alliant Techsystems (ATK), the monopoly supplier of various ***high technology*** munitions to the US military and certain of its allies. With stagnant or even declining sales, indifferent earnings, and threats of government shutdowns, ATK wouldn't look like a ***high*** growth stock, and yet there it is: up from $49 or so a bit over a year ago to more than $120 today, just as if they'd invented a new social network. I think it is more likely some believe ATK could benefit from reorders of its products to destroy certain social networks.

Still, the diplomats say peace with Iran is on the way. And the six months that temporary sanctions relief has bought for the slowdown of the country's nuclear programme overlap not coincidentally with the rainy season. After March, any sustained attack on Iran through Iraqi airspace would be far more problematic. Yet, as if in rebuke to the optimistic headlines, ATK's stock hit new ***highs*** this past month.

There is also another season coming up: the renewal of reinsurance contracts that starts at the beginning of January. The reinsurance companies have had the prices of coverage for catastrophic risks pushed down by what did not happen this year past: any major hurricanes hitting the US coast, or earthquakes shaking California or Japan.

Also, the capital bases of the reinsurers and their parent companies had very few losses on the credit product in their books, and liquidity that continued to be underwritten by the Bernanke/Yellen Fed.

When the new coverage year begins next month, the reinsurers can expect weak pricing. The question is how much of the market share of the $250bn world catastrophe market will be skimmed off by "nontraditional" capital, such as buyers of three- to five-year catastrophe bonds issued to the market, or one-year privately placed fully collateralised catastrophe contracts placed more discreetly with private holders.

At this point, the nontraditional suppliers of catastrophe coverage have taken about a $45bn share of the trade, and those who track the market's progress, such as Swiss Re, believe that cut will grow at a sustainable, though not hyperbolic, pace.

Even for next year, the alternative reinsurance providers are expected to continue to be concentrated on prospectively underinsured perils such as "US wind", or hurricanes from the Hamptons to the Florida Keys. The question is how far beyond these "modelable" risks the nontraditional reinsurers will venture.

Some of us think the alternative providers are the thin end of a wedge that will transform the bureaucratised and ingrown global insurance business. John Seo, with his brother, manages Fermat, a Connecticut-managed but Irish-domiciled Ucits cat bond fund, which, along with other accounts, adds up to more than $4bn in assets.

Mr Seo has not just money, but a theory. "The global reinsurance industry has acted a lot like AT&T [the US telephone company] before its 1984 break-up. It was a so-called natural monopoly to provide universal coverage and service. That meant implicitly the good business subsidises the bad. The underwriting profit has been coming from the catastrophe business, just like AT&T made all their money from long distance calls. The insurance industry doesn't realise how their industry is being restructured by insurance-linked securities."

The securitised, cash or Treasury-collateralised coverage offered by the ILS market, is really limited to risks that are "modelable" and "granular". If you want coverage for movie stars' failing to show up, or Godzilla attacks, or drugs that work the wrong way, you have to go back to the specialists at Lloyds. But models and measures improve over time. When I first used a mobile phone in 1982, no one thought there would be more than two providers in any American market.

"It's a Marmite strategy, ILS," says Alasdair MacDonald, of pension consultants Towers Watson. "You either like it or loathe it. Since the risks are not correlated with other markets, it really does add diversification." One problem, he says, is that "You can really struggle with measuring alpha [investment managers' skill] in this area, since it is so left-tailed [all the risks are to the unlikely downside]."

Has the tsunami of alternative capital that has flooded the reinsurance business compressed returns to an unattractive point? "It's a good question," says Ryan Bisch, the head of Mercer's alternatives advisory business in Canada. "On an absolute basis, yes, spreads have come down, but the returns still look better than for, say, some credit classes."

Five years after another Indian trade minister, the private jet-flying Kamal Nath, helped to scupper the Doha round of international negotiations in the name of India's poor, his successor is vying for the spotlight.

When he arrives in Bali for next week's biennial meeting of World Trade Organisation ministers, Anand Sharma, India's commerce minister, will be greeted warily by the US and other interlocutors.

They suspect him of putting a spanner in the works of a deal they consider within grasp - purely to win pre-election political points back home for the governing Congress party and its policy of generous food subsidies.

A former student activist who, according to his official biography, worked closely with the late Rajiv Gandhi, the bearded Mr Sharma, 60, has the demeanour of a gruff aristocrat. He has served almost half his life in parliament and is regarded in trade circles as an unpredictable and occasionally charmless opponent.

Another failure for the WTO in Bali could put India in the uncomfortable position of repeat offender. Mr Nath was blamed by many for scuppering talks in Geneva in 2008 and an earlier attempt to reach a deal in Hong Kong in 2005.

Mr Sharma appears to have neither the political clout at home nor the wiliness in negotiations abroad to match Mr Nath. EU officials, for example, have been baffled by his stop-start attempts to negotiate an EU-India trade agreement, which has failed to materialise after six years of discussions.

But he has built a record as a sharp-tongued spokesman for the government on economic matters.

Earlier this month he accused Goldman Sachs of interfering in Indian politics after it upgraded its assessment of the economy on expectations that Narendra Modi, the opposition leader, would win next year's general election.

"Goldman is parading its ignorance about the basic facts of the Indian economy, and it also exposes its eagerness to mess around with India's domestic politics," he told The Economic Times.

On Friday, Mr Sharma acknowledged there was a "stalemate" in trade talks in advance of the Bali meeting. But he insisted that India had been "seriously and sincerely engaged in the negotiations" and enjoyed the support of other developing nations on key issues at stake.

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>Chief among those is India's demand - affirmed at a cabinet meeting in New Delhi on Thursday - for a "peace clause", intended to give another four years to negotiators to come up with new WTO rules for farm subsidies and the prices paid for staples bought as part of government programmes to supply food to the poor.

Other participants have accused India of backing down from an agreement struck earlier in November over that peace clause and thereby putting at risk a broader deal that would set about removing red tape at borders around the world and, advocates claim, add as must as $1tn to international trade.

The food security issue is of particular concern to India. The parliament in New Delhi last summer passed a bill pushed by the Congress-led government that expanded cheap food programmes for the poor to cover 70 per cent of India's 1.3bn population.

On Friday, Mr Sharma rejected the accusations that India had misled anyone by initially accepting and then rejecting the "peace clause". The government was now seeking a ceasefire that would automatically be extended until a permanent solution to the issue was crafted.

"India's final position" would become clear in Bali, he said. But India was "very clear" that any interim solution would have to last "until a permanent solution is put in place", and that it expected everyone "to commit to negotiate all issues for a permanent solution".

<>The embattled Congress party is due to face national elections by May and ***state*** ballots in Delhi and Rajasthan next week, and Mr Sharma has in recent weeks couched his stand in the WTO as a matter of national sovereignty. "As far as what we give to our poor people that is our right," he said on Friday. "That is a sovereign space and for India it is sacrosanct and non-negotiable."

Farm groups and leftwing parties have urged Mr Sharma to take a tough stand.

But there are also fears elsewhere within India that, were it to block a deal in Bali, the government would be shooting itself in the foot. Many in the trade world and in Indian business see next week's meeting as a last-ditch attempt to restore credibility to the WTO in the face of growing US interest in regional agreements over multilateral ones.

"Anand Sharma is under a lot of political pressure at home," said Pradeep Mehta of the Consumer Unity and Trust Society think-tank. But "a No deal in Bali will be terribly sad and India is walking into a trap", he said. "India needs the WTO - as do a lot of developing countries."

In a carefully worded statement, the Federation of Indian Chambers of Commerce and Industry said that it recognised the importance of food security as an issue for the country. But "if Bali fails to deliver, then it will weaken the multilateralism and the credibility of the WTO as an institution", said Naina Lal Kidwai, its president. "Failure in Bali would be very disappointing."

Bonuses for UK bankers earning more than EUR1m rose last year and now average almost four times their salary, setting up a potential conflict with the new bonus cap that comes in next year, a report by Europe's banking regulator shows.

The data collected by the European Banking Authority also reveal that total pay for the 2,714 people who topped EUR1m in 2012 rose by more than a third that year.

Average total pay, including fixed salaries and bonuses for the UK's top-earning bankers, grew from EUR1.4m in 2011 to EUR2m last year.

These ***highest*** earners received bonuses averaging 3.7 times their base salary, up from 3.5 times in 2011, and highlights the potential impact of the European Union bonus cap.

The controversial EU-wide limit will restrict variable pay to 100 per cent of salary, or at twice that level with explicit shareholder approval.

Banks are already drawing up plans to deal with the restriction by paying their affected staff with monthly allowances that will not count as bonuses, but will be reviewed annually, based on seniority and not included in pension calculations.

EBA is currently working on final rules on which employees will be captured by the bonus cap and is likely to finish before Christmas.

In a draft version, the regulator proposed applying the cap to anyone earning more than EUR500,000, potentially affecting tens of thousands across the City.

EBA's data show that the UK employed more than three-quarters of the European Union's top earners in banking, highlighting the extent to which London in particular will be hit by the bonus cap.

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>The number of UK bankers earning more than EUR1m in total pay rose from 2,436 in the year before to 2,714 in 2012.

Germany has the second-largest number of top-earning bankers, at 212. But German ***high*** earners on average received bonuses worth only 211 per cent of their base salary, a number that is only slightly above the upper proposed cap.

There are 177 ***high***-earning bankers in France while 10 EU members, from Bulgaria to Slovenia, have none at all.

Greece and Cyprus, where banks had to be bailed out by the ***state*** amid the eurozone's sovereign debt crisis, had one and three bankers respectively earning more than EUR1m.

The increase in UK top-bankers' pay came as profits and revenues across the industry improved slightly. This was reflected in an increase in the total variable pay pot from EUR2.7bn in 2011 to EUR4.2bn in 2012, according to the EBA data.

Four-fifths of the top-earning bankers in the UK worked in investment banking and the rest in retail, asset management and other business areas.

EBA's numbers include bankers employed at UK banks and also those working for the London operations of banks from other EU countries.

It has collected the data across Europe for the second time now after new rules were introduced three years ago that force all banks to submit the number of ***high*** earners to their national regulators.

Apple fades in race to conquer TV

A decade ago on a British chat show, Nigella Lawson was asked how she would depict herself if she were still a journalist.

"I would be so horrible," she joked. Her former husband has now saved her the trouble.

You "poisoned your child with drugs and trashed your life", Charles Saatchi wrote in a now-public email, accusing her of being "off her head" for much of their 10-year marriage.

It is rare for someone who, like Mr Saatchi, has spent three decades in advertising to be "completely astonished" by cocaine use.

It is even more remarkable given that he and Ms Lawson are witnesses for the same side in the criminal prosecution of their personal assistants for fraud totalling £685,000.

The lasting impact of his words may be to add his ex-wife to the list of celebrities who floated close to perfection, only to find themselves in need of redemption.

"Nigella is having a Kate Moss moment," says Hamish Pringle, author of Celebrity Sells, referring to the supermodel once photographed snorting cocaine.

"[She] will come out the other side even more in demand, but only if she's not convicted of a crime."

Ms Lawson has yet to comment on the allegations, other than to tweet a Holiday Hotcake recipe to thank her growing number of Twitter followers (a few responded with jokes about cold turkey this Christmas).

In her favour is her continuing popularity; even Mr Saatchi told the court on Friday that he still "adore[s]" her.

There are also the stories of Ms Moss, US television personality Martha Stewart, footballer David Beckham and golfer Tiger Woods, all of whom have recovered from indiscretions to restore at least part of their commercial pulling power.

"If a brand's been around for a long time, the public has quite a large amount of forgiveness," said Vince Mitchell, a professor at Cass Business School. "It can afford to cock up."

The difference with Ms Lawson is that her brand is relatively narrow.

Unlike Kate Moss and Tiger Woods, she has no sponsors to offend. In the past year her commercial activities have been limited to filming The Taste, a reality TV show in the UK and US, and selling her own range of kitchenware.

By comparison, fellow chef Jamie Oliver has invested in his own YouTube channel, signed licensing deals with supermarkets in Australia and Canada, and opened half a dozen restaurants from St Petersburg to Perth.

Nigella has no book in the pipeline; Jamie has a contract to write four.

The other distinguishing feature is that her image as a domestic goddess - which she once described as "obviously ironic" - is built around indulgence.

"She's not Delia Smith. The brand is not a religious Christian who's also a demon cook," said Andrew Franklin, the founder of publishers Profile Books.

"But she can only come back it if she can make it on television."

Of immediate concern is the US, which Ms Lawson has struggled to crack over the past decade, and where The Taste's first series on ABC garnered meagre ratings.

She is thought to earn more from a single series of the programme than the £650,000 sum her personal assistants allegedly stole from her and Mr Saatchi in four years. They deny the charges.

It is unclear whether she will continue to remain silent, like Mr Woods who initially ignored allegations about his private life before an orchestrated, teary apology.

"That silence was very damaging to him," says Mr Pringle. "In the absence of a mea culpa, the rumour mill continues to churn."

For the once reclusive Mr Saatchi, who was cautioned after a domestic violence incident in June, redemption may be less of a concern.

"I don't think he cares what people think," says Mr Pringle. "He never has."

Martha Stewart

"This is a victory for the little guys," said one juror, after convicting Martha Stewart of obstructing justice in 2004. Yet Ms Stewart ***kept*** up her domestic goddess persona in jail - "That place was sparkling when I left" - then launched a TV comeback. She is now back chairing the company she founded.

Kate Moss

The supermodel went from heroin chic to cocaine rehab in 2005, after incriminating photos appeared. She was dropped by sponsors H&M - whose chairman supports an anti-drug charity - but the publicity meant she soon earned twice as much from other brands. She will receive a special award at next week's British Fashion Awards.

Tiger Woods

Mr Woods has not won a major golf title since driving into a fire hydrant in 2009 and confessing to multiple affairs. Yet he is the world number one, and has new sponsors including Rolex. "His brand is about excellence," says Vince Mitchell of Cass Business School. "Being faithful is not core to that job."

What do we have to be thankful for? Americans are in the middle of the annual process of counting their blessings as the year begins to wind down.

Following tradition, President Barack Obama wrote a proclamation calling on his compatriots to give thanks. There is irony in this, after 12 bad political months for him. After winning an election in which inequality was a decisive issue, it has been a great year for the wealth of those Americans who were already wealthy, and particularly those among the richest "1 per cent".

Those invested in US stocks, up more than 30 per cent in 12 months, should be thankful. And what can they thank for their good fortune? Here is a list of happy surprises from the last 12 months:

- The US did not fall over the fiscal cliff 2013 started amid Washington intrigue over looming automatic tax rises and spending cuts. In the end, swingeing automatic cuts were administered through the "sequester", while tax rises for the wealthy went through - but it did not feel like falling off a cliff.

- The US did not default on its debt Nine months into the year there was another case of political brinkmanship, which ended with a decisive defeat for the Tea Party-backed Republicans who had pushed it. The president is unpopular, but there was no public support for the use of a threat to force a default on US sovereign debt as a political weapon.

- The eurozone avoided another crisis And it did so despite ample opportunity. The response to the Cyprus crisis in March, when an attempt was made to impose losses on insured bank deposits, was badly botched. There is ongoing political turmoil in Italy. Yet sovereign debt markets remain calm, and there are even signs that the region's economy is moving towards a (weak) recovery.

- China's economy ***kept*** on the rails The bubble in China's real estate did not burst. Growth, according to official data, stayed on track. And this month, the Communist party even surprised with a more ambitious reform agenda than most had anticipated.

- The west did not escalate its involvement in the Middle East Many Syrians might not feel very thankful for this, but for markets, it was a bullet dodged. Broad-based western intervention in the region would, as always, have been packed with risk and uncertainty.

- Iran's relations with the rest of the world improved Iran and the risk that either it successfully built a nuclear bomb, or Israel were provoked into attacking it to avert this, has been at the top of "risk lists" for a decade. The negotiated agreement to freeze Iran's nuclear programme, while controversial, is great news for geopolitical risk. Oil, as measured by Brent Crude, is the same price now as it was last Thanksgiving, almost to the penny.

- Japan opted for Abenomics Japan's incredibly aggressive monetary policy sank the yen, but did wonders for the stock market (up 70 per cent since last Thanksgiving, and now at a closing ***high*** for the year). A resurgent Japanese economy would have a big impact on the rest of the world.

- Inflation stayed under control Expectations for US inflation, after a brief move upwards, are now comfortably lower than they were last Thanksgiving. Low inflation is almost always reason for savers to be thankful - although in this case it implies the risk of deflation (note significant falls for industrial metals and agricultural goods in the last year), so the good news is not unadulterated. Gold investors, who have lost almost 30 per cent over the past year as inflation fears eased, may not be too thankful either.

- Emerging markets averted a crisis In August, there appeared to be a real risk of an old-fashioned emerging markets crisis as the currencies of countries with significant current account deficits tumbled in the wake of ***higher*** rates in the US. But the Fed stepped back from reducing its stimulus to markets, and there was a partial recovery. India's rupee shed 21 per cent against the dollar at one point; now it is off only 13 per cent over 12 months.

- Turkey Appropriately on Thanksgiving, Turkey has reason for thanks. Its currency has been hit in the last year, and the yield on its bonds has risen, reflecting international concern. Yet its stocks are up almost 10 per cent in local currency terms.

This is quite a list. But the fear remains that investors are most thankful for the Fed, and its decision to ***keep*** up its QE bond purchases. From last Thanksgiving until the Fed started talking of tapering off QE in May, the S&P 500 rose 22 per cent. Since the Fed opted not to taper in September, it is up 6 per cent. It was flat from May to September.

We should be thankful for much genuine good fortune. But the valuations on offer in the current dizzying US stock market suggest that this has turned into a justification for misplaced optimism.

We should count the blessings of the last year. But there is reason to worry about the future.

House prices in prime areas of central London have stalled in November, raising the possibility that the capital's property boom is diminishing.

Residential prices in the City, Westminster, Kensington & Chelsea and other central areas such as St John's Wood rose by only 0.2 per cent in the month, according to Knight Frank, the property consultancy, leading to annual growth of 6.9 per cent - the lowest figure in four years.

The weak monthly figures, in what has been the hottest part of the property market in Britain since 2009, suggest that London's house prices will struggle to rise ever ***higher*** than other parts of the country for much longer.

Figures from the Nationwide Building Society show that prices in the capital are almost twice the national average, the biggest differential in at least 40 years.

On the two previous occasions when London's house prices were more than 80 per cent above the rest of the UK, the gap shrunk rapidly over the next few years. London house prices fell 31 per cent between 1989 and 1992; and while prices did not fall in the early 2000s, a much bigger boom elsewhere narrowed the gap with the capital.

After the financial crisis, the capital's house prices recovered much faster than elsewhere, led by the prime central London market that had the advantages of foreign demand and cash buyers who do not need mortgages.

Betting against London prices has proved a mug's game for most of the past 40 years, with the exception of the crash in the early 1990s recession. It is after all, a vibrant capital city with severe limits on new home building.

But with the prime market ***slowing*** down and capital gains tax about to be levied on foreign owners, the Bank of England withdrawing some supports from the mortgage market and the gap with the rest of the country so large, an important question is what could set the London property market back in the style of the 1990s.

Sentiment turns

Bubbles burst. To the extent that home buyers in London have been rushing to purchase, for fear of further price rises, a change in expectation of future gains would have a radical effect. Those wanting to purchase property would be willing to wait, while owners would want to offload their stock as quickly as possible. With a change in sentiment, prices can turn very quickly.

Although there are straws in the wind in prime central London and in properties over £2m, prices in the rest of the capital are still rising fast, but Liam Bailey, head of global residential research at Knight Frank, says there are natural limits even for the plushest homes. "In the long term, price growth above earnings growth isn't sustainable and even central London can't expect the performance [of the past four years] to continue".

The City becomes unattractive

Ask bankers in the City of London what ***keeps*** them up at night and withdrawal from the EU will be ***high*** on the list.

Given a referendum on membership may happen after the 2015 election, it is worth asking what a serious setback to the City's status as Europe's financial capital would do to house prices.

The last financial crash took its toll on prime central London property, with residential values dropping 24 per cent between March 2008 and 2009 before staging a comeback.

Another reason foreign investors might tire of London is if the city starts to burst at the seams. Dick Sorabji, director of policy at London Councils, the umbrella group for the city's 33 boroughs, said: "If we fail to ***keep*** up with the infrastructure needs of 100,000 more Londoners every year, as the projections suggest . . . that will ***slow*** the growth and damage the city. But I think investors will ***keep*** coming."

Government policies

Estate agents operating at the most expensive end of the London market have noticed the weakest area is now for so-called "mansions" above £2m, which have been subject to 7 per cent stamp duty since April 2012.

If that tax on transactions is having an effect, there are many other threats from government policies that could cause prices to slip.

An annual "mansion tax" would exacerbate that effect, reducing prices without making London's prime homes any more affordable.

For the bulk of London property, what is happening in the prime market is largely irrelevant, but a revaluation of Council Tax bands, the imposition of capital gains tax on foreign ownership of property, further action from the BoE, or a revolution in house building could pull the rug out from under the whole market.

A sterling crisis

London property has been described as the new reserve currency for a global elite - but like any cross border investment, it is at the mercy of exchange rates.

Were the pound to fall rapidly, the values of foreign property purchases in London could be hit, which could cause a stampede for the exit.

But a currency crisis is a double-edged sword.

The pound's slide from 2007 to 2009 - combined with falling house prices - enabled foreigners to snap up "bargains" in London: 50 per cent cheaper in dollar terms in the space of a year and as much as 60 per cent less to someone financing a purchase in yen.

This prompted a surge in overseas buyers in the prime central London market.

Experts say the risks of foreign capital flight require vigilance. Andrew Heywood, consultant and editor of Housing Finance International said: "We need to shape that [foreign] investment but avoid doing so in a way that causes an abrupt collapse, which would feed into falling house prices, negative equity, collapse of development and damage to the affordable homes programme through the potential impact on cross subsidy of affordable housing."

Affordability

Ultimately, living in London could become too expensive for "ordinary" families and companies, particularly if the BoE raises interest rates causing a sudden reversal in London property prices.

Evidence is mounting that the ***high*** cost of living in the capital is causing more residents to slide into poverty, defined as having an income less than 60 per cent of the national median.

This is particularly marked for London's working poor. Over the ten years to 2011-12, the number of people in in-work poverty increased by 440,000, according to data from the Trust for London, a charity.

Foreign money pouring into the capital has exacerbated that trend by raising the cost of living and any sudden withdrawal could also be highly damaging.

If a small city ***state*** had adopted Bitcoin as its national currency, it would now be in the grip of deflation as foreign speculators siphoned away its supply of the virtual currency. Money would be scarce, and prices would fall dramatically. Authorities might try to lift prices but they would lack one of their most powerful tools. Central bankers can create money at will, by printing notes or creating deposits. Bitcoin is based on digital tokens, which are generated at an unalterable rate by cryptographic algorithms running on the computers of volunteers, making it impossible to match supply to demand.

This is an improbable fantasy. But Bitcoin's undulating value makes it unsuitable for all but the most limited purposes. Speculators are the keenest acquirers of the currency. For some, it is a way of stashing wealth where authorities cannot find it. Others want to make purchases without leaving an obvious trace. Silk Road, the online contraband emporium that was closed by authorities last month, was one of the few businesses to insist on payment in Bitcoin. But many prices were pegged to the dollar; the virtual money served merely as a way of disguising the flow of hard currency.

Still, if Bitcoin's applications are limited, its emergence as a workable means of exchange nonetheless reveals something surprising. Friedrich Hayek argued that the government should cede its monopoly over the money supply, leaving consumers free to choose between competing currencies. It turns out that they were already freer than they thought. Authorities have so far tolerated the virtual currency. Yet the product of the ***state***-owned incumbent has proved more attractive than Hayek expected.

The experiment is an indication of how monetary systems might change in future. Many believed it impossible to create a form of electronic cash that did not rely on a bank to ***keep*** tabs on account balances. Bitcoin proved them wrong. But many are uneasy about reversing the technological accident that has made financial transactions more traceable in the era of electronic banking.

Some see tamper-proof virtual currencies as preferable to physical ones that central bankers can easily debase. The island of Alderney has gone so far as to mint physical coins that are backed by Bitcoins in its electronic vault. But enthusiasts should be careful what they wish for. An unstable price level is dangerous. Removing the steering-wheel is the wrong way to prevent central bankers from driving the economy off the road.

The Channel Islands have long held an outsized role in the world of financial services.

But while Jersey and Guernsey compete for offshore banking business, their tiny neighbour Alderney is bidding to become the first international centre for Bitcoin transactions.

As the price of a single Bitcoin has climbed above £1,000 this week, the British crown dependency sees an opportunity in the rising global popularity of the virtual currency.

The territory, which is part of the British Isles but close to the coast of France, belongs to the Bailiwick of Guernsey and relies on its bigger neighbour to provide public services for its population of 1,900.

But Alderney has long dreamt of being financially self-sufficient and sees Bitcoin as a potential path to prosperity, along with its growing role as a gambling centre.

Changes to the law in 2005 meant the island was able to attract licensed operators who could advertise gambling in the UK.

It earns about £40m from e-gaming revenues, but must pay £37m of that to Guernsey in fees. Alderney balances its books, while its neighbour has seen its deficit increase - fuelling the island's desire for financial independence.

Meanwhile, the phenomenon of Bitcoin has rapidly taken off.

The popularity of the decentralised digital currency - a form of electronic cash - has mushroomed from its original base of tech fans to investors, businesses and speculators. Businesses and ***entrepreneurs*** have lobbied hard to governments to recognise the currency as legitimate, the main stumbling block being its association with fears of money laundering and buying drugs online.

But its ties with the Silk Road website, shut down by the Federal Bureau of Investigation, and various hacking scandals have not stopped its value taking off.

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>In January its price hovered around $15; on Friday, it hit a peak of $1,242.

Robert McDowall, Alderney's finance minister, over the summer was put in touch with Michael Parsons, a banker and adviser on Bitcoin. Over a meal at City restaurant Sweetings, they discussed the potential of Bitcoin and the idea of bringing it to Alderney with a physical coin was born.

The Royal Mint, which had a longstanding relationship with Alderney, was brought on board and proposals were drafted over the following weeks. The plan had "top level support", a Mint official said in an email.

Meanwhile, the Treasury, which oversees the Mint, invited the Alderney team for talks on how a licensing regime could work, according to correspondence seen by the Financial Times.

The Bitcoin financial services hub would include exchanges, paymentsservices and physical storage for coins for wealthy clients - and would diversify the island's revenues from gambling alone.

The plan would need to be voted through by the island's parliament and then legislation could be passed to finalise the project. If passed, it will become the first jurisdiction to introduce a regulated environment for the coin.

Advocates of the scheme hope it will help enduncertainty over the virtual currency's status.

The tiny Channel Island of Alderney is launching an audacious bid to become the first jurisdiction to mint physical Bitcoins, amid a global race to capitalise on the booming virtual currency.

The three-mile long British crown dependency has been working on plans to issue physical Bitcoins in partnership with the UK's Royal Mint since the summer, according to documents seen by the Financial Times.

It wants to launch itself as the first international centre for Bitcoin transactions by setting up a cluster of services that are compliant with anti-money laundering rules, including exchanges, payment services and a Bitcoin storage vault.

The special Bitcoin would be part of the Royal Mint's commemorative collection, which includes limited edition coins and stamps that are normally bought by collectors. It would have a gold content - a figure of £500-worth has been proposed - so that holders could conceivably melt and sell the metal if the exchange value of the currency were to collapse.

The hype surrounding Bitcoin has escalated in recent months and its market value has rocketed; the price of a single Bitcoin hit a new peak of $1,242 on Friday on the Mt Gox exchange, established in Tokyo in 2009 as a trading card exchange.

Critics warn of a speculative bubble although its proponents believe that the currency could be widely adopted as a method of making payments outside the traditional banking system. Ben Bernanke, chairman of the Federal Reserve, and other government officials around the world have said virtual currencies could have benefits if they can be regulated to prevent money laundering.

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>Holders of the Alderney Bitcoin would not be able to spend it in stores but would be able to exchange it for a virtual Bitcoin by travelling to the island.

Alderney hopes that by minting the first physical Bitcoin it will raise its profile as the "go-to" destination for the virtual currency, as it seeks to expand its offshore credentials beyond the online gambling sector.

David Janczewski, head of new business at the Royal Mint confirmed it had been approached by the finance minister of Alderney to "explore the possibility of manufacturing a physical commemorative coin with a Bitcoin theme".

"Discussions have not progressed further and at this stage it remains nothing more than a concept," he added.

But the controversy around Bitcoin has made the Alderney plan a sensitive subject. The Treasury, which owns the Royal Mint, declined to comment on the plans. George Osborne, the British chancellor, also holds the title of Master of the Mint.

The plans have been steered by chairman of the island's finance committee, and are understood to have the support of Alderney's president, although they still need to be approved by the island's 10-member parliament.

A number of private companies have produced physical Bitcoins, although they are not backed by an official mint. Instead they feature a holographic strip, which is peeled off to reveal the private key then redeemed online.

How would Alderney's plan work?

An independent company will provide the Bitcoins. If the price plunged, neither Alderney nor the Royal Mint would lose anything.

The company would put the Bitcoins in an escrow account at an agreed price.

Meanwhile, the Royal Mint would take customers' orders for its minted Bitcoins and receive money from those coin sales.

The virtual Bitcoins backing the physical coins would be held in digital storage facilities by Alderney.

The Mint would issue the commemorative Bitcoin, paying for the value of the gold content itself. Alderney would receive royalties from sales of the coins.

Coins could be redeemed for sterling at any point in Alderney for the price of a Bitcoin on that day.

From Mr John Hywel Jones.

Sir, Simon Kuper asserts that good European writers seldom bothered with sport ("Whole new ball game", Life & Arts, November 23).

Hazlitt wrote about boxing in "The Fight" and his "The Indian Jugglers" is an eloquent obituary of Cavanagh, the fives player.

Louis MacNeice, in his "Autumn Sequel", has a meditation on the death of Dylan Thomas and Wales' great victory over the 1953 All Blacks (in rugby union football).

Perhaps Mr Kuper was too concentrated on football (association).

John Hywel Jones, Annecy-le-Vieux, France

From Mr Garrett Lynch.

Sir, Alistair Budd (Letters, November 23) has a point that satisfying employment does take the edge off of long hours.

However, as the holiday season begins, news reports always highlight people working long hours in low-wage jobs during the holidays themselves.

Enjoying the tasks is irrelevant if you are working long hours during time meant to be spent with one's family and still cannot make ends meet. Employment that is both satisfying and financially rewarding, sadly, is still at the top of many a Christmas list.

Garrett Lynch, New York, NY, US

From Mr Paul Treuthardt.

Sir, Your report "Carmakers put wheels in motion to attract young drivers" (November 23) has a serious error where it talks of saving "4,471 [road] deaths a year".

Ministry of Transport figures say the total road toll for 2012 was 1,754, incidentally the lowest since records began in 1926.

Paul Treuthardt, London SE3, UK

From Mr Graham Hall.

Sir, I was surprised to read, in "Poor cultivation" (House & Home, November 23), that visitors on their way to Lenin's tomb were passing through Waterlow Park in London.

Although Lenin had visited London when he was alive, he was last seen dead and embalmed in Moscow. Perhaps the author is confusing him with Karl Marx, buried in Highgate Cemetery.

Graham Hall, Wingham, Kent, UK

From Mr Robert Schroeder.

Sir, Lawrence Dritsas (Letters, November 23) is correct to say that, as humans mature, the gene that produces lactase shuts down because the body has presumably been weaned from mother's milk, expecting never to consume it again. What is unique about human behaviour is that, once we reach adulthood, we voluntarily consume milk that comes from a different species.

Robert Schroeder, Ewing, NJ, US

Albemarle & Bond's shares slumped 53 per cent this week after another profit warning, in which the pawnbroker admitted to melting down gold jewellery to raise quick cash and avoid breaching debt limits.

A falling gold price and increased competition has shrunk the size of A&B's pledge book, and its problems were compounded by the cost of a failed rescue rights issue. The group's biggest shareholder, EZCorp of the US, this month refused to back plans for a £35m cash call. But Shore Capital was hopeful A&B could avoid administration, arguing that lending banks would not want the "hassle" of putting its pledge book into runoff.

Shares in Topps Tiles jumped 33.8 per cent this week after the retailer reported ***higher*** demand in the last two months. A revival of bid rumours also helped the rally.

But shares in Asian Citrus fell 5.4 per cent after another disappointing trading update, in which the Chinese orange grower warned of falling volumes because of poor weather. Demand also fell, partly in response to reports that other Chinese growers had been selling unripe oranges dyed with a carcinogenic chemical.

Aim new issue Kalibrate ***Technologies***, made a strong debut, though. Shares in the petrol station software provider rose 9 per cent, after the group raised £13.1m for expansion.

VP boosted by focus on core areas of retail rental

VP has a good grasp of the basics tool hire. "We buy equipment well, we rent it well throughout its life and we sell it well at the end," says Neil Stothard, group managing director, writes Andy Sharman.

Unlike its bigger rival Speedy Hire, which wants to be seen as a services company and has big overseas ambitions, Harrogate-based VP is concentrating on its core areas of retail rental for the construction and DIY trades, as well as supplying excavation equipment and forklift trucks.

Interim results highlighted the rewards stemming from this focus. Revenues in the first half rose 9 per cent to £91.3m. Profit before tax and amortisation was up 17 per cent at £12.8m. Hire Station and Groundforce - the biggest parts of the business - benefited from improving market conditions in the housebuilding and construction industries.

VP's shares, which are up 60 per cent in the year to date, jumped about 8 per cent on the day of the results announcement.

Talvivaara gains ground in fight to stave off bankruptcy

Shareholders in Talvivaara, the London-listed Finnish miner, find themselves between a nickel-rich rock and a hard place after its warning this month that it faced possible bankruptcy if it fails to gain extra financing, writes Michael Kavanagh.

That warning, which came six months after its last fundraising, compounded a fall in Talvivaara's shares that had already lost more than nine-tenths of their value so far this year.

On Friday, however, the withdrawal of support for an application for corporate reorganisation by creditor Nystar appeared to give the company more breathing space.

Shares in the company, which owns large deposits of low-grade ore that can only be mined profitably when nickel prices are ***high***, jumped 40 per cent to 4.61p on news of possible respite in its crisis.

But they remain bombed out compared to ***highs*** of almost 170p reached in 2011 amid hopes that clever leaching ***technology*** combined with growing demand for industrial metals could deliver fortunes to investors in a business bought from Outokumpu for a EUR1 coin in 2004.

With shares so low, eternal optimists who still hold stock can at least be content that remaining risk is predominantly on the upside.

Manroy sets course to abandon quote on Aim

Manroy, the Sandhurst-headquartered maker of machine guns and weapons systems, seems set to abandon its quote on the Alternative Investment Market, writes Kate Burgess.

On Tuesday, Manroy announced it was in talks with three potential bidders - US Ordnance, Beretta and Herstal - who had until Christmas Eve to make a bid. Then, on Thursday, it announced that the talks with US Ordnance had ended and talks with Beretta were not active. However, talks with Herstal are. Manroy's shares closed the week up 15p to 74p, valuing the company, at £14m.

That was the price at which the business was floated on Aim in 2010 - valuing the company at about £10m. Manroy came to the market to fund expansion into the US and to diversify its product range. A year later, its shares had risen above 120p, but profits have since been hit by delays to big contracts. Manroy reported a £2m pre-tax loss to the end of September 2012.

People familiar with the company said the management felt its lumpy revenue stream made it ill-suited to the public market.

From Mr Christopher Langdon.

Sir, You order when your supplier has the stock; you pre-order when he is still waiting ("Does this pre-fix make any difference?", November 23).

Irish pubs have to process several orders at once; Guinness takes such a long time to settle ("Efficiency is not always in an app", November 23).

This comment is a better example of efficiency - answering two FT letters at once.

Christopher Langdon, Hastings, E Sussex, UK

When he stepped down as a senior independent director at Standard Life last year, Lord Norman Blackwell declined the invitation to give a speech at his leaving dinner. Instead he asked the board to find him a piano.

The assembled directors at Edinburgh's swish Prestonfield hotel - plus a coterie of passing guests who crowded around the doorway - were treated to a mini-recital of Schubert and Chopin. "It was concert pianist quality," says Standard Life's longtime chairman, Gerry Grimstone. "Norman really is the archetypal renaissance man."

It is just as well. Lord Blackwell, 61, is set next week to be reborn as the next chairman of Lloyds Banking Group, taking on the ***highest*** profile role of his career, as Britain's biggest ***high***-street bank prepares to return to full private sector ownership, after the humiliating part-nationalisation of 2008.

The appointment, revealed by the Financial Times on Thursday, is expected to be rubber-stamped by the board on Monday, paving the way for Lord Blackwell to take over the Lloyds' chairmanship from incumbent Sir Win Bischoff early next year.

On paper at least, the former banker-cum government adviser-cum career non-executive, is the perfect choice. Lord Blackwell's early career flip-flopped between stints advising government and at McKinsey, the consultancy, before he moved to NatWest bank, where he became head of strategy to then chief executive Derek Wanless. Since 2000, he has held a succession of company directorships, and chairs construction business Interserve.

Those who have worked with Lord Blackwell admit he has been an understated figure for much of his career. "He is low-key to the point of being boring in some people's eyes," says one former colleague. But most praise his style and his substance. "He's old-fashioned in the ***best*** kind of way," says Mr Grimstone - a trait that will mesh with the image Lloyds seeks to exude: a traditional lender that has spurned some of the racier investment banking strategies undertaken by many rivals.

Despite being a life peer, associates say Lord Blackwell - married with five grown-up children - is very down-to-earth, living with his family in an unremarkable Victorian villa in Epsom.

All those who have worked with him praise twin skills in the prospective Lloyds chairman - a keen intellect and a great diligence. "He's assiduous in ***keeping*** up to date with changes in rules and regulations," says one former colleague at KPMG. "He comes to all our seminars on international accounting standards."

Lord Blackwell's style will contrast with the ebullient ways of the outgoing Sir Win. But he is expected nonetheless to jell well with António Horta-Osório, chief executive. "He will be quite a good foil to António," says one adviser. "He might be understated but he is such a detail man that he won't be fobbed off. He will be a serious challenger to the bank's executives."

That prospective dynamic is understood to have played a vital role in Lord Blackwell's selection for the job ahead of other candidates, including rival board member David Roberts. "Some people thought David still had CEO ambitions and would have rivalled António rather than complementing him," says one person involved in the process.

Capping Lord Blackwell's suitability for the job, in the board's eyes, was his deep political connections. Though he has not been directly involved in government since heading former prime minister John Major's policy unit in the mid-1990s, he remains close to the current leadership and sits on the board of the Centre for Policy Studies think-tank.

Lloyds remains 33 per cent government owned, and liaising with the Treasury, as that stake is sold to private sector investors over the next couple of years, may be the most crucial part of Lord Blackwell's job.

The Co-operative Bank's retail bondholders have voted almost unanimously in favour of a rescue restructuring, enabling the lender to push ahead with plans to fill a £1.5bn capital hole by the end of the year.

Results from an early participation vote, which closed on Friday, showed that more than the required two-thirds of investors submitted their forms. Of those that did, 99.91 per cent supported the recapitalisation, the Co-op said.

The result will be welcome news for the Co-op, which has had a rocky few weeks since it announced the restructuring deal with bondholders on November 4.

The bank was thrown into crisis shortly after, as its former chairman, Reverend Paul Flowers was filmed allegedly trying to buy illegal drugs. The Co-op has admitted that the events have damaged its reputation and contributed to a loss of current account customers in recent weeks.

In a statement released on Friday night, the Co-op said the bank and its parent group were "delighted at the overwhelming levels of support for the liability management exercise at this critical juncture . . . We are now highly confident that our £1.5bn recapitalisation plan for The Co-operative Bank can be achieved."

The bank is being forced to raise the fresh capital after being hit by large losses on bad debts, and charges relating to mis-sold payment protection insurance and a mishandled IT upgrade.

The outcome of the vote will also be a relief for a group that represented holders of the Co-op Bank's lower tier two bonds, LT2, and its advisers - Moelis, the investment bank, and Shearman & Sterling, the law firm - which together led the bank recapitalisation talks with the Co-op.

The LT2 group consisted of several hedge funds, which built a blocking stake in the lower tier two bonds and used it to negotiate a better deal for creditors than the Co-op had proposed. Aurelius - the biggest hedge fund in the consortium, and one that was central to the recapitalisation talks - sold almost its entire holding days after the plan was announced.

The Co-op and the LT2 group had some concerns that they may not receive sufficient numbers of votes from retail investors to approve the recapitalisation. Many of the retail investors are pensioners in their 80s and 90s.

If the bank had failed to secure support from investors, its recapitalisation plan would have collapsed and it would likely have been put into resolution.

The final deadline for votes is December 6 and the Co-op will announce the full result midway through next month.

From Mr Bertrand Horwitz.

Sir, Simon Kuper discovered the beauties of sports writing at the age of 10 through reading anthologies of baseball writing ("Whole new ball game", Life & Arts, November 23). Among such articles and the one that stayed with him the longest was two-time Pulitzer Prize winner John Updike's New Yorker magazine profile of Boston Red Sox star player Ted Williams, still renowned for being the only modern baseball player to record a seasonal batting average over .400. The essay is evaluated by Mr Kuper as better than "any sports writing I ever encountered growing up in Europe".

But as a life-long baseball fan, I wish he had read the baseball essays of another American writer who, to my knowledge, never wrote fiction - Stephen Jay Gould, the polymath scientist. His essay about New York Yankees baseball icon Joe DiMaggio, "The Streak of Streaks", whose hitting streak of 56 straight games in 1941, the same year as Williams' unique achievement, still brings tears to my eyes at age 86.

After quoting the poets Omar Khayyam and Alexander Pope and determining the near impossibility of such a run of hits, Gould concludes his essay: "DiMaggio's hitting streak is the finest of legitimate legends because it embodies the essence of the battle that truly defines our lives. DiMaggio activated the greatest and most unattainable dream of all humanity, the hope and chimera of all sages and shamans: he cheated death, at least for a while". The article appeared in the August 18 1988 issue of the New York Review of Books.

Bertrand Horwitz, Asheville, NC, US

From Prof Yeomin Yoon.

Sir, A Chinese friend of mine points out that I committed an "amusing error" by mislabelling (or misspelling) the Chinese Communist party as the Chinese Community party, in my letter on "Policy on Tibet is at ***best*** confusing and contradictory" (November 23). As an individual who truly wants to become a zhengyou (friend who speaks the truth) to the Chinese people, I sincerely thank the FT for overlooking this Freudian slip, which only reflects my fervent wish to see the advent of such a party or parties; this would signal the beginning of transforming China into a multi-party society where diverse and multivocal ideological and political forces vie peacefully to accommodate a governance structure that serves the entire 1.3bn-strong Chinese community.

Yeomin Yoon, Seton Hall University, South Orange, NJ, US

From Mr Steven Short.

Sir, So it's Jony Ive who is to blame for doing away with the simple task of plugging a cord into a socket, and turning it into a chore requiring me to get up from my chair, lean over my iMac to peer at the bottom of the back of the computer (which I now see upside down) as I search for which of the three small poorly labelled ports in which to insert the device I want to use ("When to cut corners", Books, November 23).

We can all be grateful that his bathroom suite design was rejected.

Steven Short, San Francisco, CA, US

Kingdom Holding, Saudi billionaire Prince Alwaleed bin Talal's investment vehicle, will lose another ***high***-profile executive, marking the second such departure in recent months.

Shadi Sadeek Sanbar, chief financial officer at Kingdom Holding, plans to leave the company at the end of the year, people familiar with the situation said. His departure comes after the resignation in June of Ahmed Reda Halawani, the company's director of private equity.

Kingdom has been in the spotlight this year after Prince Alwaleed became embroiled in a public dispute with Forbes magazine over a detailed investigation into his wealth.

The dispute with Forbes emerged ahead of an article which said the value of Prince Alwaleed's stake in Kingdom was much lower than its share price suggested. Kingdom responded with a firm rejection, and described allegations of share-price manipulation as "completely unsupported and biased".

Mr Sanbar's deputy, Mohammed Fahmy Soliman, may be promoted as part of the transition and Mr Sanbar will remain an adviser to the Prince, the people said. Mr Soliman is already more involved in meetings with bankers, they added.

Mr Sanbar became Kingdom's chief financial officer in 2007 and has acted as a special adviser to Prince Alwaleed since 2005. People familiar with the company saidthat working there was demanding, with long hours to match the packed schedule of Prince Alwaleed.

A person familiar with Mr Sanbar said: "He wanted to leave for some time and I am not sure it will have a significant impact on the company." He added that Mr Sanbar planned to retire and to spend more time with his family.

Kingdom Holding did not respond to a request for comment. Bloomberg first reported the move on Friday.

An accounting professional, Mr Sanbar started his working life at the Los Angeles office of Arthur Andersen in the 1970s after studying in the US. He worked at the firm for decades, and stayed on after its integration with Ernst & Young.

Brazil's ***state***-controlled oil company, Petrobras, has agreed to raise fuel prices but failed to deliver a transparent pricing policy for the future, dealing a blow to investors and the country's struggling ethanol industry.

The Rio de Janeiro-based company said late on Friday that it's board had agreed to raise petrol and diesel prices by 4 and 8 per cent respectively as of Saturday morning.

Under Brazil's unofficial fuel subsidies agreement, Petrobras is forced to import fuel and sell it at a loss in the domestic market to help the government control inflation.

The practice has cost its refining unit over R$40bn since the beginning of 2011, raising doubts about its ability to deliver its $237bn five-year investment plan. It has also caused great anger among minority shareholders around the world.

The moderate fuel price increases announced on Friday should help limit losses but investors had been hoping for more after the company had promised greater transparency on fuel subsidies.

Petrobras said in a surprise announcement last month that it had prepared a methodology that would help match domestic prices to international prices. However, the move needed the approval of the board, led by Finance Minister Guido Mantega.

In its statement on Friday, Petrobras said the price increases were part of the "implementation of its diesel and petrol price policy". However, it said the policy would remain private, prompting criticisms that the company had, in fact, made no significant changes to its practices at all.

Brazil's ethanol industry body, Unica, said on Friday that the announcement would not help as it gave no clarity on future fuel prices.

Producers of the biofuel have suffered widespread losses over the past few years as they are unable to compete with subsidised petrol prices. In Brazil, almost all cars are built to run on ethanol or petrol, leaving drivers to choose depending on which fuel is cheaper at the pump.

"We continue without any system, without a formula with clear and stable parameters, which would make it possible to understand the basis on which petrol prices are maintained or adjusted," Unica said in a statement on Friday.

While Petrobras's management have been keen to push through a transparent methodology, the government is concerned it would boost fuel already ***high*** inflation and decided to block the move, according to local media.

Annual inflation in Brazil was last recorded at about 5.8 per cent - below the 6.5 per cent ceiling of the tolerance range but above the 4.5 per cent target.

On Wednesday, the central bank raised the benchmark interest rate by 50 basis points to 10 per cent, adding to what has become the world's biggest tightening cycle this year.

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Industry:

Person: STEVEN JOBS (71%); JOHN LEWIS (59%); TIM COOK (56%)

Geographic: BOSTON, MA, USA (79%); MASSACHUSETTS, USA (79%); UNITED KINGDOM (94%); EUROPE (92%); EUROPEAN UNION MEMBER ***STATES*** (92%); UNITED ***STATES*** (79%); CZ Czech Republic; PL Poland; US United ***States*** of America; CH Iran; IR Switzerland; CH Switzerland; AU Australia; US United ***States*** of America; CN China; GB United Kingdom; CN China; JP Japan; CN China; JP Japan; SG Singapore; US United ***States*** of America; NL Netherlands; NL Netherlands; GB United Kingdom; CN China; RU Russia; UA Ukraine; CN China; JP Japan; TW Taiwan; US United ***States*** of America; JP Japan; GB United Kingdom; US United ***States*** of America; CN China; IL Israel; RU Russia; CN China; GB Ireland; IE United Kingdom; GB United Kingdom; FR France; GB Italy; IT United Kingdom; US United ***States*** of America; GB United Kingdom; TH Thailand; CN China; GB Solomon Islands; SB United Kingdom; JP Japan; IN India; DE Germany; ES Italy; IT Netherlands; NL Spain; CN China; JP Japan; GB United Kingdom; GB United Kingdom; US United ***States*** of America; CN China; US United ***States*** of America; CN China; GB United Kingdom; US United ***States*** of America; FR France; LT Lithuania; RU Russia; UA Ukraine; CN China; AU Australia; CN China; GB United Kingdom; ES Spain; AR Argentina; TH Thailand; CN China; US United ***States*** of America; ES France; FR India; IN Italy; IT Spain; EG Egypt; GB United Kingdom; SA Saudi Arabia; AR Argentina; BR Brazil; GB United Kingdom; ES Italy; IT Spain; FR France; IT Italy; TW Taiwan; US United ***States*** of America; AF Afghanistan; FR France; CO Colombia; KR South Korea; FR France; GB United Kingdom; GB United Kingdom; GB United Kingdom; GB United Kingdom; GB United Kingdom; RU Russia; BR Brazil; CH Switzerland; US United ***States*** of America; IT Italy; GB United Kingdom; CH Japan; JP Switzerland; GB

United Kingdom; CA Canada; DE Germany; HK Hong Kong; US United ***States*** of America; MX Mexico; ES France; FR Spain; MX Mexico; US United ***States*** of America; EG Egypt; GD Grenada; MG Madagascar; PA Panama; BR Brazil; CO Colombia; IT Italy; JP Japan; US United ***States*** of America; GB United Kingdom; DE Germany; KR South Korea; GB United Kingdom; CN China; JP Japan; BE Belgium; GB United Kingdom; CN China; NL Netherlands; CL Chile; CH Switzerland; GB United Kingdom; GB United Kingdom; IT Italy; NZ New Zealand; BJ Benin; CA Canada; CI Ivory Coast; NG Nigeria; BE Belgium; GB United Kingdom; GB United Kingdom; IN India; AQ Antarctica; FI Finland; GB United Kingdom; IR Iran; IR Iran; IL Iran; IR Israel; RO Romania; FR France; GB United Kingdom; FR France; PK Pakistan; LT Lithuania; UA Ukraine; IQ Iran; IR Iraq; IN India; QA Qatar; GB United Kingdom; GB United Kingdom; US United ***States*** of America; GB United Kingdom; RU Russia; CN China; SA Saudi Arabia; BR Brazil; ESEU; NTAM; MEAA; WSEU; WSEU; AUST; NTAM; ASIA; UKIR; ASIA; ASIA; NTAM; WSEU; WSEU; UKIR; ASIA; ESEU; ASIA; NTAM; ASIA; UKIR; NTAM; ASIA; ESEU; MEAA; ASIA; UKIR; WSEU; UKIR; NTAM; UKIR; WSEU; UKIR; ASIA; ASIA; UKIR; ASIA; ASIA; WSEU; ASIA; UKIR; NTAM; UKIR; ASIA; NTAM; ASIA; NTAM; UKIR; WSEU; ESEU; ASIA; ASIA; AUST; UKIR; WSEU; STAM; ASIA; ASIA; NTAM; ASIA; WSEU; MEAA; UKIR; MEAA; STAM; STAM; UKIR; WSEU; ASIA; NTAM; WSEU; ASIA; WSEU; STAM; ASIA; UKIR; WSEU; UKIR; UKIR; UKIR; UKIR; ESEU; NTAM; STAM; WSEU; WSEU; UKIR; ASIA; WSEU; UKIR; ASIA; NTAM; WSEU; STAM; WSEU; NTAM; STAM; MEAA; MEAA; STAM; ASIA; STAM; WSEU; NTAM; UKIR; WSEU; ASIA; UKIR; ASIA; UKIR; WSEU; ASIA; WSEU; STAM; UKIR; WSEU; UKIR; WSEU; AUST; MEAA; NTAM; WSEU; UKIR; UKIR; ASIA; WSEU; UKIR; MEAA; MEAA; MEAA; ESEU; UKIR; WSEU; WSEU; MEAA; ESEU; MEAA; ASIA; MEAA; UKIR; UKIR; NTAM; UKIR; ESEU; ASIA; MEAA; STAM

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