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Tougher refugee deal at EU hands Merkel respite from crisis at home

◆ Greece and Spain to take back asylum seekers ◆ Coalition allies welcome harder stance

GUY CHAZAN AND ALEX BARKER
BRUSSELS

Angela Merkel has won a reprieve in the crisis that rocked her three-month-old government after her Bavarian coalition partners welcomed a tougher deal on migration agreed at yesterday's EU summit.

The German chancellor said she had concluded bilateral agreements with Greece and Spain that would allow Berlin to send refugees back to those countries if they had registered there.

Germany promised financial help in return, dropping its longstanding insistence that Greece raise sales tax on five Aegean islands—a condition of its international bailout that incensed Athens.

Ms Merkel refused to say whether the deals she had clinched in Brussels would be enough to silence her Bavarian critics but she said they represented “really substantial progress”.

“It is an important step in the right direction,” she said, especially considering how far apart the government heads had been on the issue of asylum seekers. She nevertheless cautioned that “we are not at the end of the road”.

Ms Merkel has been under pressure to come up with a deal to resolve the row between her CDU and the Christian Social Union, its Bavarian sister party. The rift threatened to trigger the break-up of a 70-year alliance that has been the bedrock of postwar German politics.

The CSU's initial response to the accord was positive. Hans Michelbach, a senior CSU MP, said it contained “policies that the CSU has long been demand-



Davis spends four hours with Barnier in six months

Britain's chief Brexit negotiator has spent just four hours this year in Brussels wrangling with his European counterpart. In a sign of the recent relative stasis between the UK and EU,

David Davis has met Michel Barnier only three times in the first half of 2018. With the time running out for serious negotiations in Brussels, Mr Barnier warned yesterday that “huge and serious” differences had to be overcome on Britain's exit talks, adding: “Time is very short.”
EU meetings page 4

Michel Barnier, the EU's chief negotiator with the UK, at the European Council summit in Brussels yesterday
Julien Wernrod/epa

ing”, while Manfred Weber, CSU's deputy chairman and leader of the European Parliament's main centre-right group, said the summit “took a big step towards a better migration policy”.

EU leaders agreed that migrants rescued at sea should be held in closed facilities inside the union, where their asylum requests would be processed, and opened up the prospect of similar centres being established in Africa.

Crucially for Ms Merkel, they called for a crackdown on the movement of asylum seekers across the EU's internal borders—an issue that goes to the heart of the row imperilling her coalition.

The summit agreement reflects the hardening of views on migration in many EU member states, especially Italy, whose newly installed populist government is dominated by the anti-immigration League party. It is also a big departure from the “open borders” approach that Ms Merkel adopted at the height of the European migration crisis in September 2015.

The leaders of France, Spain, the Netherlands and Greece were among those who rallied to Ms Merkel's support at the summit, ensuring she was not left empty-handed in her battle with the CSU. Emmanuel Macron of France said “nationalistic choices” to manage migration were rejected in favour of a “comprehensive” European accord.

However, he added that France had no intention of opening a processing centre of its own.
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Lehman on stage
Making a drama out of the crisis
LIFE & ARTS



My life in airport lounges
HOUSE & HOME



The shipping tycoon and the €100m fraud
FT WEEKEND MAGAZINE



Crumpets join beer and pigs in quest for CO2

Crumpets were drawn into Britain's carbon dioxide crisis yesterday when Warburtons said it had suspended production at half its factories. The family baker, which needs CO2 to keep its packaged crumpets fresh, has joined brewers and pig farmers in their quest to secure enough supplies of the ubiquitous gas. Its price has doubled in recent weeks as beer sales soared due to the hot weather and the World Cup.
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Rothschilds discover what's in a name as family ends legal fight over moniker

HARRIET AGNEW — PARIS

Warring branches of the Rothschild banking dynasty settled a dispute over the family name after a bitter three-year French legal fight that centred on which part of the clan could claim the moniker of their 18th-century patriarch Mayer Amschel Rothschild.

Edmond de Rothschild, a Franco-Swiss private bank and €156bn asset manager that owns vineyards and the new Four Seasons Hotel Megève, had issued a cease-and-desist order to French bank Rothschild & Cie, arguing its owners unfairly referred to themselves as “parent of the Rothschild group”—implying it had sole claim to the name.

Yesterday's agreement between Rothschild & Co, the Anglo-French parent of Rothschild & Cie, and Edmond de

Rothschild would bar both groups from using the Rothschild name by itself in branding. Instead, they will use their full names to build future business and both vowed to “work together to protect the family name in the banking sector”.

The deal, which will also see the groups unwind cross-shareholdings in each other, was reached only after David de Rothschild, 75, retired as chairman of Rothschild & Co, handing the reins to his son Alexandre, who became the seventh generation of the family to lead the bank. “This made David more amenable to a resolution,” says one person close to the elder Mr de Rothschild. “The last thing he wanted to do was to pass to his son an unclear situation. He wanted a clean slate for Alexandre.”

In 2012, David de Rothschild oversaw a merger of the then separate French and UK banks, which unified its

corporate structure under the Paris Orléans parent group and put an end to decades of cross-Channel rivalry.

Rothschild & Co's private banking and asset management activities in France, Belgium and Monaco will continue to use the name Rothschild Martin Maurel. This business is the result of a 2017 merger between Rothschild & Co's private bank in France and Banque Martin Maurel, a French private bank.

The settlement requires the branches to tidy up their complex cross-ownership structures. Rothschild & Co's Swiss holding company owns an 8.4 per cent stake in Edmond de Rothschild. At the same time, 9.5 per cent of the capital of Rothschild & Co's Swiss holding company is held by Edmond de Rothschild, and a 5.7 per cent stake in Rothschild & Co is held by Edmond de Rothschild.
Peace reigns page 15



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World Markets

STOCK MARKETS				CURRENCIES				INTEREST RATES				
	Jun 29	prev	%chg		Jun 29	prev			price	yield	chg	
S&P 500	2736.44	2716.31	0.74	\$ per €	1.168	1.158	0.857	0.864	US Gov 10 yr	95.22	2.84	0.00
Nasdaq Composite	7545.99	7503.68	0.56	\$ per £	1.320	1.309	0.757	0.764	UK Gov 10 yr	99.51	1.28	0.02

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New heights for haute cuisine

Bolivia | Can one restaurant kick-start the transformation of a city? In La Paz, five years after the opening of *Gustu*, Nigel Tisdall finds this high-altitude capital in the Andes reaping the fruits of 'the Noma effect'

The sliver of raw alligator tail is firm and fishy, served with pickled molle pepper and thin slices of kohlrabi.

Next comes the *cepe culón*, a glossy black ant harvested from Bolivia's Madidi National Park and presented with beet leaves and avocado emulsion. More enticing is water buffalo, radish and frozen yoghurt with hibiscus powder, while the Lake Titicaca trout paired with a glass of Cepa de Oro Vischoqueña is sublime.

Such are the gastronomic delights that await at *Gustu*, the elegant restaurant opened by Claus Meyer, co-founder of Noma in Copenhagen, in La Paz's well-heeled Zona Sur neighbourhood five years ago. Its aims were to champion the little-known but astonishingly diverse produce of this landlocked Andean nation, and to kick-start sustainable social and economic development. The project has succeeded – Meyer's educational initiative, Manq'a Food Schools, has so far taught basic skills in cookery and bakery to 3,000 graduates, while 600 Bolivian students now have stable jobs in the culinary world. Meanwhile, *Gustu* has garnered numerous foodie awards that are proudly displayed in the kitchen – not in the reception – "because that's where they belong".

The highest-altitude administrative capital on Earth, La Paz rests inside a mountainous bowl of jagged peaks that feels like a cañada but is in fact a mighty canyon carved by rivers sweeping down from the snowy heights of the Cordillera Real. Inside this sea of unfinished red-brick houses slops around the hillsides while lumpy office blocks and shiny skyscrapers rise up from the valley floor. From within, La Paz is a breathless whirl of narrow, minibus-clogged streets where every corner seems to have a resident *cholita* (indigenous Aymara or Quechua woman) wearing the iconic dress of bowler hat, shawl and voluminous skirt with layered petticoats.

Many people in this disheveled city agree that La Paz has benefited from what is inevitably known as "the Noma effect". "*Gustu* is fully responsible for the gastronomic revolution here," says Mariano Ugalde, curator of the invitation-only Salar Galeria del Arte in the cultural district of Sopocachi. A decade ago, he decided to "throw away the tie" in his US banking job and join the art world, returning to his home city two years ago. "I've seen incredible changes here," Ugalde says as he reels off a list of hotels, bars, restaurants and cafés that have recently opened.

Most of his clients are international art collectors who come, often by private jet, to discover La Paz and a portfolio of artists that includes his 74-year-old father, Gastón Ugalde. Dubbed the "Andean Warhol", Ugalde is known for provocative works that frequently feature coca leaves, obsolete bank notes and the dreamy landscapes of Salar de Uyuni, the world's largest salt flats, which can be visited on a day trip by air. "I've lived through 40 Bolivian presidents," the artist reflects – and when I ask if he'd prefer to live by the sea, there is a hearty laugh. "We Paceños are conadors," he says proudly. "Not pelicans."

The best place to admire Gastón Ugalde's art is in the Atix Hotel in upscale Calacoto, where more than a hundred of his works enliven an eight-storey tower designed by New York architect Stuart Naroisky. Opened in August 2016, it makes a welcomingly calm base, complete with a rooftop bar and 53 serene rooms from \$125 a night. In another city they could easily command a much higher price, and the all-round affordability of La Paz is part of its growing appeal – even at *Gustu*, a top-class cocktail costs just 40 bolivianos (£4.40).

Later this year the city's historic cen-



Above and right, clockwise from main: a street in La Paz; a dish from Ali Pacha; *Gustu* chef Mauricio López; the *cepe culón* with beet leaves, avocado emulsion and a black ant at *Gustu*; art by Gastón Ugalde in the Atix Hotel – *Pictures: Nigel Tisdall, Patricia Crocker*



From left: exterior of the Atix Hotel; trout from Lake Titicaca, as served at *Gustu*; a chef at work at Ali Pacha; staff at The Writer's Coffee

Pictures: Nigel Tisdall



tre will gain a new, design-driven luxury hotel, Altu Qala, which owner Boris Alarcón, a Berlin-based Bolivian who has worked with the late Zaha Hadid, has been developing for a decade. He is already responsible for upping the quality of coffee here, having opened The Writer's Coffee, a café adorned with vintage typewriters that sits inside a bookshop dating from 1907. He also installed HB Bronze Coffee Bar at the base of what will soon be the 10-suite, five-star Altu Qala.

A 1900s townhouse ingeniously capped with two contemporary floors, its mixes period interior features with mid-century gems from Alarcón's private collection, including Kienzle clocks, Motoko Isih lights and 400 pieces of Murano glass. "My whole life is here!" he says enthusiastically. The hotel will be fed by Chola en Borsalino, a Bolivian-Italian restaurant promising dishes such as red beet risotto with llama salami and a pork terrine with five different Andean potatoes.

Today many of the most appealing places to eat in La Paz boast chefs who once worked at *Gustu*, such as Diego Rodas, who five months ago launched Popular with two partners. A small, lunch-only, no-reservations restaurant near Plaza Mayor de San Francisco, it is devoted to contemporary Bolivian cuisine and gives his alma mater a serious run for its money. The substantial three-course set menu, which changes weekly, costs a mere 50 bolivianos (£5.50) including some outstanding dishes such as a dessert inspired by *mocochinchi* (a traditional drink made from dried peaches) that features chocolate ice cream, citrus crumble and dehydrated meringue. Why the low price? Another partner, Alexandra Meléan, fortrightly explains that the trio are determined to keep Popular accessible to local people. There is a similar sense of focus at nearby Ali Pacha, which was opened in March 2016 by another *Gustu* alumnus, Sebastian Quiroga. He converted to veganism after watching *Earthlings*, a

documentary chronicling animal suffering in factory farms, and his plant-based cuisine might typically include a beetroot ceviche with corn and sweet potato. There is no menu, just a choice of three, five or seven courses. "I like the mystery," explains Quiroga, who clearly has additional talents as an interior designer. Earlier this year he opened a companion bar, Umawi, that makes masterful use of the fluorescent destination signs used by minibuses, along with long runs of electric cables that reference how La Paz appears to be laced together by crazy bundles of wires at the top of every telegraph pole.

Many of the staff who work in La Paz's burgeoning bar and restaurant scene enjoy one of the most spectacular commutes in the world, travelling on a 23km, Austrian-built network of cable cars strung above the city like a line of Christmas baubles. Inaugurated in 2014, Mi Teleférico looks set to be a star legacy of Bolivia's leftwing president, Evo Morales, whose championing of

the country's indigenous majority is reflected in the naming of its stations in Aymara with Spanish subtitles. The first three lines, Roja, Amarilla and Verde (the colours of the national flag) have since been joined by four more, with a further three due by the end of next year.

Taking a scenic ride in these silent and spotless cabins, which costs just three bolivianos (33p) per line, must be one of the best-value adventures in Latin America. Some routes, like Roja, are often busy so you might well share with another seven passengers varying from uniformed schoolboy to phone-fixed office-worker to bowler-hatted street-trader. Others, such as the new Azul line that soars up to El Alto, a younger sister city of almost a million people, can be surreally quiet. Gliding above its traffic jams and crowded markets selling folk medicines and llama foetuses, I feel like some bemused god surveying the chaos, stress and poverty below. Mi Teleférico is not just about innovative public transport and sensational views – it also gives its passengers some much needed aerial time out.

"In El Alto no house is over 35 years old," explains Amara Ruder, a guide who takes me to its famous *cholets*, the grand and gaudy mansions that prosperous Alteños have built here over the past decade. The term is a fusion of "cholo" (a word that can have negative undertones referring to people of indigenous heritage, but now proudly embraced by some) and "chalet". These unashamedly flamboyant piles consist of a ground floor of shops, a communal party floor with interiors as vivid as a pinball machine, one or two levels of family apartments, then a lavish owners' house crowning the roof.

Many staff who work in the restaurant scene enjoy one of the most spectacular commutes in the world

Brightly coloured with abundant tinted and mirrored glass, *cholets* look more brassy than classy but are excellent evidence of the resurgence of Aymara culture. The native talent for exuberance is also present in *cholita* wrestling, a twice-weekly contest staged in a rudimentary sports hall, the Coliseo 12 de Octubre. Here traditionally dressed women step into a ring, carefully remove their bowler hats, showy earrings and tasselled shawls, then start thrashing each other around with a fierce and thumping verve. It is a bizarre whirl of pigtails and petticoats, in which the referee often adds a punch and a kick for good measure, that soon has locals and tourists in hilarious uproar.

Equally unexpected are a cluster of tower blocks, lost in the badlands outskirts of El Alto, that bear powerful murals by Roberto Mamani Mamani, an Aymara artist renowned for his vibrantly coloured paintings of Andean gods, characters and natural forces. Gazing up at these 12-storey blocks, which rise above the plains like psychedelic beacons, I feel a thrilling sense of surprise and discovery that is at the very heart of why we all bother to travel. "La Paz Maravillosa", the city's slogan, seems entirely appropriate for such an exhilarating place. High up in the Bolivian Andes, wonderful things are indeed happening.

i / DETAILS

Nigel Tisdall was a guest of Aracari (aracari.com) who offer a five-day Cultural La Paz package from \$171 per person including four nights at Atix Hotel with breakfast, transfers, a city and cable car tour, a private view of Salar Galeria del Arte (salarart.org) and visit to the cholets in El Alto. Double rooms at Hotel Atix (hotelatix.com) cost from \$125 with breakfast. Altu Qala (altuqala.com) and Chola en Borsalino will open later this year. Recommended restaurants are *Gustu* (restaurantgustu.com), Ali Pacha (alipacha.com) and Popular (Murrillo 826; no website).

Shortcuts: from Champagne to Shanghai

Riviera Maya Back in 1976 the Mexican architect José Luis Moreno bought 500 acres of jungle and gone-to-wild coconut plantation 40km south of

pool) promises a 1,570 sq m spa and a restaurant (one of four) under the direction of Mexico's celebrated chef, Jorge Vallejo of Quintonil in Mexico City,

last week. From about \$600 a night. www.chablesort.com

Champagne Between the villages of

proliferation of new hotels. The past month has seen the opening of Katikies Mykonos (from €345) in the Cyclades, a sister property to the Infinitely

Neoclassical building dating back to 1916, which now houses its Chinese restaurant, Bao Li Xuan, while the Italian chef Niko Romito, whose Abruzzo

Tbilisi For years the obvious place to stay in the Georgian capital was the Radisson Blu (for the views as much as everything). But then Rooms opened,