OPINION

Partnerships save lives, kickstart economic recovery

MEDICINE CABINET
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The coronavirus disease 2019 (COVID-19) pandemic showed the importance of public-private partnerships (PPPs). On a global level, partnerships have resulted in the development and manufacture of diagnostics, vaccines and medicines for COVID-19. At the national level, partnerships allowed vaccines to reach the farthest municipalities and towns.

National Economic and Development Authority (NEDA) Secretary Dr. Arsenio M. Balisacan said that through PPPs, the government seeks to tap the private sector's capacity to provide resources and expertise, as well as ability to undertake projects of significant scale in recognition of the country's fiscal constraints.

During a luncheon meeting with the European Chamber of Commerce of the Philippines, Mr. Balisacan highlighted the crucial role of the private sector in the government's strategy to achieve its medium-term macroeconomic targets. These priorities are outlined in the Marcos administration's eight-point socioeconomic agenda, which is the framework that will anchor the 2023–2028 Philippine Development Plan.

"We will utilize PPPs to address the binding constraints to more and higher-quality job creation in the present and future growth drivers, such as the manufacturing, tourism, IT-BPOs [information technology-business process outsourcing], and creative sectors. They will be a significant contributor to the upgrade of the country's energy, logistics, transportation, telecommunications, and water infrastructure," he said.

Since the pandemic, the research-based biopharmaceutical industry has been working with the government in its COVID-19 response in four ways: through the research and development of safe and effective diagnostics, medicines and vaccines; ensuring the continued supply of medicines and vaccines despite major challenges; cascading verified health information to the public; and supporting healthcare workers and communities impacted by the pandemic.

Early dialogue and collaborative efforts proved invaluable in our pandemic response. With the same approach, the industry commits to working with the government to foster innovation. President Ferdinand R. Marcos, Jr., recently announced that there will be no more lockdowns. If we were to realize the President's directive, it is imperative that we strengthen our healthcare system, and work more closely together towards a resilient pharmaceutical system that uses innovation from research and development (R&D) and all throughout the supply chain.

Another lesson is that we need to embrace innovation. The country is currently an active participant in the conduct of clinical trials, and we are eager to partner to see more of these R&D activities in the Philippines. In terms of the number of clinical trials, one study noted that the Philippines is third in the list following Singapore and Thailand. When we participate in global clinical trials, we are creating early access to innovation, bringing in major investments, and building the scientific capacity of fellow Filipinos to pursue pharmaceutical R&D.

Years of investment in R&D — even in the face of costly failures — laid the groundwork for shortened development timelines for COVID-19 diagnostics, vaccines and treatments. The Pharmaceutical and Healthcare Association of the Philippines (PHAP) is eager to work with NEDA and the government in transforming the Philippines as a regional hub for biopharmaceutical excellence.

The industry shares the goal of the government to ignite competition in the industry as the primary means to lower medicine prices. The market dominance of generics by volume to date is driving medicine prices down and providing a broad price range and treatment options to government, physicians, and patients. The dominance of generics — at almost 80% of the prescription market by volume — is evidence that there is competition in the industry.

Mechanisms to encourage further competition to reduce medicine prices are also in place under the Universal Health Care Act and the National Integrated Cancer Control Act. Price negotiation, pooled procurement, and private sector partnership are mechanisms that must be implemented to drive medicine prices down.

It is important to note that countries with low medicine prices employ a single-payer system where the government negotiates and purchases on behalf of their people. A single payer system is not a mere shifting of the responsibility to the government but a strategy to maximize the economies of scale alongside negotiations.

Given the lessons from the pandemic, open collaboration between the public and private sector can help save more lives and eventually kickstart and sustain economic recovery.

TEODORO B. PADILLA is the executive director of the Pharmaceutical and Healthcare Association of the Philippines (PHAP), which represents the biopharmaceutical medicines and vaccines industry in the country. Its members are at the forefront of research and development efforts for COVID-19 and other diseases that affect Filipinos.

TB testing still lagging due to COVID pandemic

ONLY 13% of the 2022 target for bacteriologic testing of presumptive tuberculosis (TB) patients was reached as of June, showing that testing for the disease still lags two years into pandemic, according to data from the Department of Health (DoH).

The DoH's Integrated Tuberculosis Information System showed that just 446,552 presumptive TB patients were tested out of the 3,454,259 patients targeted by the Philippine Strategic TB Elimination Plan (PhilSTEP) for 2022.

"Let's refocus and consider that it's not only COVID-19 (coronavirus disease 2019) that we should look at. Let's look back at our interventions and strategies and intensify them to make sure we're active in reporting and case findings," said Dr. Imelda M. Mateo, president of the Philippine College of Chest Physicians, at an Aug. 23 webinar.

PhilSTEP's screening strategies, which include active case finding, are already in place and testing in all health facilities complies with mandatory notification laws.

"For reporting and notification, we're lagging, and it really suffered because of the pandemic because we lost the constant follow-ups from our patients," she said at the event hosted by the Philippine College of Physicians for National Lung Month.

The overall number of TB cases reported to the government as of June is 210,534, or 43% of the 2022 target of 493,325 cases.

The National Tuberculosis Program's 2021 report highlighted how the pandemic-caused disruption of services reversed previous gains — in 2020, about 152,000 fewer people with TB were detected compared to 2019 due to lower testing rates.

The Philippines ranks fourth among the eight countries that accounted for two-thirds of total TB cases globally, according to the World Health Organization's Global Tuberculosis Report 2020.

"We already have good tools and strategies but we have to ensure implementation again. We will have to double up and make it more efficient," Dr. Mateo said. — **Brontë H. Lacsamana**

Eastern Congo reports new Ebola virus case linked to 2018 outbreak

DAKAR — A new case of Ebola virus has been confirmed in the city of Beni in eastern Democratic Republic of Congo, the country's National Institute for Biomedical Research (INRB) said on Monday.

Testing showed the case was genetically linked to the 2018–2020 outbreak in North Kivu and Ituri provinces, which killed nearly 2,300 people, said a statement from Placide Mbala, chief of the Pathogen Genomics Laboratory at INRB.

Another flare-up from that outbreak killed six people last year. Congo's most recent outbreak was in a different part of the country, and was declared over in July after five deaths.

Ebola can sometimes linger in the eyes, central nervous system and bodily fluids of survivors and flare up years later.

The case was confirmed in a woman who died on Aug. 15 after being admitted to a hospital in Beni on July 23, the statement said.

"Our initial findings indicate that this case likely represents a new flare-up of the 2018–2020 Nord Kivu/Ituri outbreak, initiated by transmission of Ebola virus from a persistently infected survivor or a survivor who experienced a relapse," it said.

Investigations are ongoing to determine the source.

At least 131 contacts of the woman have been identified including 60 frontline healthcare workers, 59 of whom are vaccinated against Ebola, said the statement.

The World Health Organization said on Saturday that authorities were investigating a suspected Ebola case in Beni after a 46-year-old woman died.

Congo's dense tropical forests are a natural reservoir for the Ebola virus, which causes fever, body aches, and diarrhea.

The country has recorded 14 outbreaks since 1976. The 2018-2020 outbreak in the east was Congo's largest and the second largest ever recorded, with nearly 3,500 total cases. — ***Reuters***

Cholera tragedy in Indian village sheds light on power debts

MUMBAI — Clean water had just started sputtering from newly installed taps in Pachdongri village in western India last month when the power supply to the hilly hamlet was cut off for unpaid bills.

Residents link this power outage to a cholera outbreak that followed, claiming five lives.

Pachdongri's outstanding power bill of 52,000 rupees ($657), pending for about five months, accounts for a tiny part of the huge strain on India's stressed electricity supply chain, in which power distributors owe $12.52 billion to largely thermal generating companies.

The utilities must pay coal firms upfront to buy the fossil fuel to produce electricity, but are struggling to do so as their cash flow is squeezed due to consumers failing to pay for their power, threatening supply.

As India tries to cut its power sector's losses with financial aid to utilities and promotion of solar energy in agriculture, the financial stress on the sector has tragically impacted Pachdongri, a village of fewer than 1,000 people. — ***Thomson Reuters Foundation***

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link **<bit.ly/Cholera082422>**

RTBs,
from S1/1

Mr. Diokno said these investment instruments "allow Filipinos to contribute to nation-building while growing their hard-earned savings with better returns."

The five-year bonds are being sold in denominations of at least P5,000, and in multiples of P5,000 thereafter.

Holders of fixed-rate Treasury notes maturing on Sept. 13, Dec. 4, Dec. 6, and Feb. 11 of next year can swap their holdings for the RTBs, the Treasury said. The minimum exchange offer is P5,000.

The offer period for the peso-denominated debt is from Aug. 23 to Sept. 2, while settlement is on Sept. 7.

The RTBs' maturity date is on March 7, 2028.

"The coupon is attractive enough for end-user clients and general public who wish to contribute to nation-building by investing in the RTB," the first trader said, noting that the strong demand was evident.

"As anticipated, the RTB offering of the government is a big hit even as it's just the price-setting date and the start of the offer period. This is a great outlet for new and existing investors that seek a safe investment with a higher yield vis-a-vis most banks' deposit rates," the second trader said.

Rising inflation prompted the Bangko Sentral ng Pilipinas (BSP) to tighten monetary policy. It has raised policy rates by a total of 175 basis points since May this year.

The government, then under the Duterte administration, raised P457.8 billion from the issuance of five-year RTBs in March. The RTBs had a coupon rate of 4.875%. Of the total amount, P457.4 billion raised was fresh funds or "new money," while the remaining P259.5 million was from the bond exchange program.

Since the first issuance of RTBs in 2001, the government has generated P4.37 trillion from the bond offerings.

"Our growing retail sector is proof that the retail Treasury bonds are a viable pillar of domestic financing. With their consistently strong reception from both local and overseas investors, the retail Treasury bonds now account for around 35% of the Bureau of the Treasury's outstanding government securities," Mr. Diokno said.

Aside from the traditional over-the-counter transaction, the new RTBs may be purchased through the Online Ordering Facility of the BTr website and settled via electronic payment facilities of China Banking Corp., First Metro Securities Brokerage Corp., the Development Bank of the Philippines (DBP), and Land Bank of the Philippines (LANDBANK).

A mobile application by the BTr is also available in the App Store and Google Play Store.

RTBs can also be purchased through the Bonds.ph mobile app of UnionBank of the Philippines (UnionBank); OFB mobile banking app of the Overseas Filipino Bank (OFB); and the LANDBANK mobile banking app.

"Through these innovations, overseas Filipinos from over 41 countries contributed to the success of the last retail treasury bond tranche. We will continue to develop these platforms and harness current technologies, such as blockchain, to strengthen the efficiency and inclusivity of the government's securities market," Mr. Diokno said.

Issue managers for the latest RTBs include the LANDBANK, DBP, BDO Capital and Investment Corp., BPI Capital Corp., China Bank Capital Corp., First Metro Investment Corp. (FMIC), PNB Capital and Investment Corp., SB Capital Investment Corp., and UnionBank.

Authorized selling agents for the bonds are Asia United Bank, BDO Unibank, Inc., BDO Capital & Investment Corp., Bank of Commerce, BPI Capital Corp., China Banking Corp., Citibank N.A., DBP, East West Banking Corp., FMIC, ING Bank NV, LANDBANK, Maybank Philippines, Inc., Metropolitan Bank & Trust Co., Philippine Bank of Communications, Philippine National Bank, Rizal Commercial Banking Corp., Robinsons Bank Corp., Security Bank and Trust Co., Standard Chartered Bank, and UnionBank.

Sponsoring Government Securities Eligible Dealers (GSED) are the China Banking Corp., DBP, First Metro Securities Brokerage Corp. on behalf of Metropolitan Bank & Trust Co., LANDBANK, and UnionBank.

Lenders,
from S1/1

Meanwhile, the country is also seeking a $400-million loan from the Asian Infrastructure Investment Bank next year. The loan will fund a post-COVID-19 business and employment recovery project by the Department of Social Welfare and Development.

The Philippines is also eyeing a $57.21-million loan from the Agence Francaise de Developpement for the subprogram three of the Inclusive Finance Development Program of the Department of Finance.

Program loans account for 39.6% of the proposed total gross external borrowings for 2023. The rest is composed of project loans, as well as bonds and other inflows, which account for 12.5% and 47.9%, respectively.

The government will borrow from local and external sources to help fund a budget deficit capped at P1.45 trillion next year, equivalent to 6.1% of gross domestic product (GDP). As a lower middle-income economy this year, the country has access to concessional loans of its development partners.

BORROWING MIX

For 2023, the government has also set its borrowing mix to 74:26 (gross) or 79:21 (net) in favor of domestic sources.

"This year, we will continue this pairing mix by obtaining 75%, or around P1.65 trillion from domestic markets, to insulate the country from foreign exchange volatilities resulting from ongoing global uncertainties," Finance Secretary Benjamin E. Diokno said at the launch of the 28th tranche of retail Treasury bonds on Tuesday

The National Government's outstanding debt is projected to hit a record P14.63 trillion by the end of 2023, with principal payments set at P1.6 trillion the same year.

Of the total debt, 31.9% or P4.67 trillion will be sourced from external sources, according to the latest Budget of Expenditures and Sources of Financing report.

In 2023, additional borrowing is expected to total P2.77 trillion, with external creditors accounting for 20% of that year's debt stock.

Outstanding debt is expected to rise to P13.43 trillion by the end of 2022 from P12.79 trillion recorded in end-June, with additional borrowing seen at P2.73 trillion and principal repayments at P1.27 trillion this year.

The government estimates the debt-to-GDP ratio to drop to 61.8% at the end of the year. It is expected to steadily drop to 61.3% by next year all the way to 52.5% by 2028. — **Diego Gabriel C. Robles**