Bluebird's $2.8-million gene therapy becomes most expensive drug after US approval

THE US Food and Drug Administration (FDA) on Wednesday approved bluebird bio's gene therapy for patients with a rare disorder requiring regular blood transfusions, and the drugmaker priced it at a record $2.8 million (about P156 million).

The approval sent the company's shares 8% higher and is for the treatment of beta-thalassemia, which causes an oxygen shortage in the body and often leads to liver and heart issues.

The sickest patients, estimated to be up to 1,500 in the United States, need blood transfusions every two to five weeks.

The therapy, to be branded as Zynteglo, is expected to face some resistance from insurers due to its steep price, analysts say.

Gene therapies usually come with a high price tag as they are often curative and have faced hurdles in securing insurance coverage.

For instance, Novartis was in 2019 forced to offer discounts and work out "outcome-based" installments payments for its $2.1 million therapy Zolgensma after insurers balked at the drug's price.

Bluebird has pitched Zynteglo as a potential one-time treatment that could do away with the need for transfusions, resulting in savings for patients over the long term. The average cost of transfusions over the lifetime can be $6.4 million, Chief Operating Officer Tom Klima told Reuters before the approval. "We feel the prices we are considering still bring a significant value to patients."

Bluebird has been in talks with insurers about a one-time payment option.

"Potentially, up to 80% of that payment will be reimbursed if a patient does not achieve transfusion independence, they (insurers) are very excited about that," Mr. Klima said.

The FDA warned of a potential risk of blood cancer with the treatment but noted studies had no such cases.

Bluebird expects to start the treatment process for patients in the fourth quarter. No revenue is, however, expected from the therapy in 2022 as the treatment cycle would take an average of 70 to 90 days from initial cell collection to final transfusion. — ***Reuters***

IMF maintains Saudi Arabia 2022 economic growth forecast at 7.6%

DUBAI — The International Monetary Fund (IMF) on Wednesday maintained its economic growth forecast for Saudi Arabia even as concerns persist that the global economy maybe heading towards a recession.

Saudi Arabia's economy was still projected to grow by 7.6% this year, which the IMF said would likely be one of the fastest growth rates in the world, helped by strong oil demand and 4.2% expected growth in the kingdom's non-oil sector.

Inflation in Saudi Arabia — expected at 2.8% this year — was contained and there had been limited fallout for the kingdom from Russia's invasion of Ukraine, the IMF said.

Saudi Arabia's government has forecast its economy to grow by 7.4% this year.

A surge in demand for oil has helped Saudi Arabia, the world's biggest oil exporter, refill state coffers hammered during the COVID-19 pandemic. Government officials have said the kingdom would restrict spending and conserve cash rather than let oil price booms drive spending like it had in the past.

IMF Mission Chief Amine Mati told Reuters he believed Saudi Arabia would maintain control over spending although the IMF said in its report there was scope for more targeted social spending to help ease the impact of rising costs on the kingdom's low-income citizens.

Mati said the kingdom's expected 5.5% of gross domestic product (GDP) fiscal surplus this year, its first since 2013, would be equivalent to around 211 billion riyal ($56.21 billion).

Saudi Arabia in 2020 tripled VAT to 15% as the pandemic hit oil revenues but officials later said the rate could be lowered.

Mati said the IMF believed Saudi Arabia should maintain the rate at 15% and that the government should consider taxing income and property as a means of increasing its non-oil sector revenues. — ***Reuters***

Japanese companies are increasing salaries to combat labor shortage

TOKYO — More large Japanese companies are now raising wages to attract workers and cope with chronic staff shortages, a monthly Reuters poll showed on Thursday, a tentative sign Japan Inc. may be slowly addressing pay that has been flat for decades.

Still, the Corporate Survey found that higher wages aren't yet the go-to tactic for companies, with digitalization seen as the most popular among the multiple measures firms say they are using to address the labor crunch.

Japanese companies have typically avoided boosting wages because decades of deflation made it difficult to pass on higher costs to consumers. That might now be changing, as the double whammy of higher commodities prices and a weaker yen drive up living costs, and highlight the strain on workers. Prime Minister Fumio Kishida has also called on companies to hike wages.

"Overall we are facing labor shortages and we are struggling to lure part-timers at stores in particular. We are responding by raising wages but there's a limit," the manager of a wholesaler wrote in the survey, on condition of anonymity.

The poll of 495 big non-financial firms, taken Aug. 2-12, highlighted what appeared to be a growing willingness by companies to increase wages. The hiking of wages or starting salaries was picked by 44% of respondents as one of the multiple tactics they were adopting.

GENE BRUTTY-UNSPLASH

That compared to just 25% of companies that said in a 2017 Corporate Survey that they would increase salaries.

A full 59% picked going digital and other measures to save manpower as one of their tactics.

"The tide is changing as labour shortages have prompted more and more companies to raise wages albeit gradually," said Koya Miyamae, a senior economist at SMBC Nikko Securities.

"Now is just the beginning, as the population increasingly ages and dwindles, the momentum to hike wages will gather steam," he said.

A majority of companies, 54%, said they faced a labor crunch with the shortage most pronounced among non-manufacturers, 59% of which said they were squeezed for staffing.

"We have not been able to do anything" to secure workers, said another manager at a wholesaler.

Companies also called for a better working environment, including year-round hiring and delaying retirement to encourage the elderly to work until their later years.

The dwindling pool of workers has been a concern for years in the world's No. 3 economy, and has served as a cautionary tale for other advanced economies including in Europe. Policymakers, meanwhile, have stopped short of allowing widespread immigration.

A total of 19% of firms said they were securing foreign workers, compared to 13% in the 2017 survey.

Separately, three-fourths of companies said they wanted Mr. Kishida's government to deploy another round of big stimulus to help the economy cope with rising living costs.

A total of 44% of firms said they wanted to see fresh fiscal stimulus, the most popular choice. Only one in five said they wanted to see further monetary stimulus, highlighting the dwindling support for the Bank of Japan's massive easing programme.

The survey results came as gross domestic product (GDP) to June saw a third straight quarter of expansion, but analysts say the resurgence of the coronavirus and a slowdown in the US and Chinese economies cloud the outlook.

In the survey, a vast majority of Japanese firms saw the virus' resurgence posing a downside risk to the economy in the latter half of this fiscal year to March 2023. — ***Reuters***

Bond,
from S1/1

Asked about the timing of the RTB offer, a trader said there is a need for the government to borrow.

"Timing wise, it is better now because yields dropped from the peak. They want to lock in borrowing so long as there is strong demand as evidenced by previous auctions," the trader said in a Viber message.

In August so far, all T-bond auctions fully awarded the debt papers at lower rates.

The BTr raised a total of P105 billion from T-bonds in three separate auctions in the month, with all three leading to the opening up of the BTr's tap facility to raise an additional P35 billion.

"This offering has all the potential to be huge, in terms of the amount to be issued. We've had very strong FXTN (Fixed Rate Treasury Notes) issuances as of late so I won't be surprised if this will be a record-breaking RTB offering in terms of investor interest," a second trader said in a Viber message.

"Government borrowing, while it ballooned in this time of the pandemic, continues to be judicious as they raised funds while rates are low," the second trader added.

On Tuesday, Ms. De Leon told the Senate Committee on Ways and Means that the borrowing requirement was reduced to P2.2 trillion this year from P2.5 trillion last year, with 75% of the debt expected to be sourced domestically.

The government seeks to bring down the debt-to-gross domestic product (GDP) ratio to 61.8% by the end of 2022, from 62.1% at the end of the second quarter. The ratio is expected to drop to 61.3% by next year and 52.5% by 2028.

The first trader said that the yield of the RTB should be between 5.875% and 5.75% for the RTB to be attractive, citing July inflation.

In July, inflation accelerated by 6.4%, bringing the average to 4.7% as food and transport prices continued to rise.

Rates,
from S1/1

The Development Budget Coordination Committee (DBCC) is targeting 6.5-7.5% gross domestic product (GDP) growth this year.

While the economy is robust enough to absorb policy rate hikes, Mr. Medalla said the government may not be able to achieve the 6.5-7.5% growth targets this year.

"It's impossible for tightening not to reduce economic growth. However, it's still possible that even with possibly additional measures, respectable growth is still possible," he said.

"Achieving a target-consistent path of inflation is of great importance to us. In our view, respectable growth is still possible, whether that is lower or within the DBCC target of 6.5 to 7.5% is important to us. But at the same time, to us, price stability is the primary concern," he added.

Meanwhile, BSP Director Dennis D. Lapid of the Department of Economic Research said higher-than-expected inflation, jeepney fare hikes, and peso depreciation were taken into consideration in monetary policy action and revisions in inflation projections.

"These factors were partly offset by lower assumptions for both global crude oil and non-oil prices as well as slower domestic and global economic growth and also the impact of BSP's recent policy interest rate adjustments which were carried out in May, June, and July," Mr. Lapid added.

Inflation rose by 6.4% year on year in July, the fastest in nearly four years and exceeded the central bank's 2-4% target band for a fourth straight month. The average inflation rate in the first seven months is 4.7%, still below the BSP's full-year forecast of 5.4%.

The implementation of a daily minimum wage hike in 14 regions and an increase in fares for public utility jeepneys in Metro Manila, Central Luzon, Calabarzon and Mimaropa in June also added to inflationary pressures.

The peso also continued to weaken against the dollar on Thursday amid the US Federal Reserve's hawkish signals. The local unit closed at P55.888 per dollar on Thursday, shedding 2.80 centavos from its P55.86 finish on Wednesday, based on Bankers Association of the Philippines data.

MORE HIKES SOON

Mr. Medalla said further policy adjustments will depend on the data and the US Federal Reserve's next moves.

"The BSP reassures the public of its commitment and readiness to take all necessary actions to steer inflation towards a target-consistent path over the medium term in keeping with its price and financial stability mandates," Mr. Medalla said.

Economists expect the BSP to maintain a hawkish stance.

ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa in an e-mail said the central bank would likely carry out 25-bp increases at each of the remaining policy meetings this year.

"ING expects inflation to accelerate further with inflation likely peaking at 6.8% by October," Mr. Mapa said.

For MUFG Bank analyst Sophia Ng, inflation may peak at 5.5% this year.

"The BSP's commitment to 'take all actions' to curb inflation suggests more rate hikes are likely down the line with another 75 bps of rate hikes likely by yearend," Ms. Ng said.

ANZ Research Chief Economist Sanjay Mathur and economist Debalika Sarkar said they expect the BSP to continue raising rates at least until the early part of the first quarter of 2023, "with the magnitude of hikes contingent on the evolving external landscape and inflation trajectory."

"On balance, we forecast 25-bp hike in each policy meeting until February 2023. The evolution of inflation, balance of payments and extent of further tightening by the US Federal Reserve will potentially reshape our assessment," the ANZ Research economists said.

Makoto Tsuchiya, Oxford Economics assistant economist, said he expects another 25-bp hike in the fourth quarter.

"Inflation is yet to reach its peak of around 7.7% in Q4, and we see the peso remaining weak in 2022 entering into 2023, keeping import prices elevated. As such, the BSP still has more work to do. But thereafter we expect the Bank to take an extended pause," he said.

"Given the negative output gap and unstable recovery, we only see one more hike in this cycle."

The country's best chefs converge at Newport World Resorts

Chefs from Newport World Resorts' international hotels Hilton Manila, Marriott Hotel Manila, and Sheraton Manila Hotel proved their kitchen prowess and dominated in this year's Philippine Culinary Cup. Each hotel's group of seasoned chefs exhibited their signature flair in the kitchen arena and won big at the World Food Expo (WOFEX) 2022 with a collective haul of 26 medals in total.

Hilton Manila's top-notch culinary team bagged the Overall Championship at this year's Philippine Culinary Cup (Professional Division) with a total of 11 medals across various categories. Bringing home Hilton Manila's two gold medals are: Junior Sous Chef Aldrin Somera for the Pastry Chocolate Showpiece category and Chef de Partie (CDP) Sheanne Sto. Domingo for the French Touch Challenge-Savory category. CDP Rhea Santos was awarded category winner and silver medalist for her Plant-based Meal. CDP John Michael Paguio, and the Commis Chef tandem of Eriq Madriaga and Charles Quiamco, were recognized with Silver medals for the French Touch Challenge-Pastry and the K1 Filipino Cuisine Challenge categories, respectively. Rounding out the medal haul are Bronze medalists Commis Chef Alain Reyes for Plant-based Meal, CDP John Michael Paguio for Plant-based Dessert, Chief Baker Garie Bautista for Bread Showpiece, Commis Chef Michael Velasquez for Fantasy Plated Dessert, CDP Jan Cyrile Baraquiel for U.S. Pork, and Sous Chef Ivy Flores for U.S. Beef.

For Marriott Manila, this year's competition yielded their culinary team 13 medals. CDP Chef Rey Llego won their lone gold for the French Touch-Savoury category. Sous Chef Erwin Marquez won three silvers in the US Beef, US Pork, and US Lamb categories. Commis I Chef Yvette Marumi also won silver in the Chocolate Showpiece category. For the team categories, the Dream Team of CDP Chef Jimmy Manalo, CDP Chef Rey Llego, and CDP Chef Joal Garfin, and the Filipino Challenge tandem of Commis I Chef Rickson Alcantara and Commis I Chef Christopher Saquing earned bronze medals. Also bagging bronze are Sous Chef Erwin Marquez for Creative Breakfast, Commis I Chef Jantzen Tiangha for US Beef, Commis I Chef Richard Hubilla for US Pork and US Lamb, CDP Chef Brainard Vito for Plant-based Savory, and Commis I Chef Deca Erastain for Plant-based dessert.

Sheraton Manila also pulled up with two bronze wins by CDP Lesther Vergara of Oori for the Modern Gourmet Chef Challenge and CDP Paxton Ignacio of S Kitchen for the Plant-based Dessert category.

Sample the world's finest cuisines prepared by the country's top chefs at Newport World Resorts. Marriott Manila Hotel's Cru Steakhouse and Man Ho are top choices for prime steaks and Cantonese cuisine. At Hilton Manila, Hua Yuan Brasserie Chinoise serves authentic Shanghainese cuisine with a modern take. The newly opened Hotel Okura Manila's Yawaragi is already stirring up a buzz among gourmands with its robatayaki. For unique alternative cuisine, Sheraton Manila's S Kitchen steps to its own with a dedicated plant-based menu.

Newport World Resorts' signature restaurants hold their own in the Metro's food scene. Casa Buenas at the Newport Grand Wing highlights Filipino cuisine with a Spanish flare. At the Newport Garden Wing, Happy 8 is making waves with its tasteful traditional and classic Southeast Asian fare. For a fine mix of live entertainment and unique night-out refreshments, THe Grand Bar and Lounge at the Grand Wing and Bar 360 at the Garden Wing are always worth a visit.

Escape the ordinary at Newport World Resorts, you know you want to. For more information on Newport World Resorts' award-winning culinary offers and thrills, visit www.newportworldresorts.com and follow @newportworldresorts on Facebook and Instagram, and @nwresorts on Twitter.