

CMA CGM reroutes more ships to avoid Red Sea attacks

PARIS — One of the world's largest container shipping groups CMA CGM on Friday said it would reroute a weekly service between Europe and Australia to avoid attacks in the Red Sea, and that the company expected months of disruption.

Attacks by Yemen's Houthi militia on commercial vessels, in response to Israel's war with Palestinian Hamas militants in Gaza, have slowed trade between Asia and Europe, and US strikes against the Houthis have not resolved the crisis.

French-based CMA CGM said its weekly NEMO service connecting Europe, the Indian Ocean and Australia will temporarily go via the Cape of Good Hope rather than the Suez Canal.

The change was part of contingency measures on several services that usually cross the Suez Canal, CMA CGM said in a customer advisory on its website.

The company on Dec. 26 said it planned to increase gradually the number of its vessels crossing the Suez Canal, which connects with the Red Sea at its southern end.

In an article published by the *Financial Times* (FT) on

Friday, Chairman and chief executive officer Rodolphe Saade said the company was still sending some vessels through the Suez Canal route if the vessels could be accompanied by a French warship.

French forces patrolling the Red Sea are focused on escorting French-linked vessels, a navy commander said last week.

But other CMA CGM ships were being sent via southern Africa as the Red Sea tensions had left the company's schedule "in complete disarray," Mr. Saade told the *Financial Times*.

In further signs of disruption, CMA CGM has this week announced charges to carry empty containers from Turkey towards Europe, the Mediterranean and North Africa, while also modifying some of its rotations around the Mediterranean.

After Danish rival Maersk said on Wednesday the disruption to global shipping will probably last at least a few months, Mr. Saade told the FT that CMA CGM was anticipating "several months" of snags.

Maersk also said on Friday it was temporarily suspending bookings for Djibouti on some services due to security concerns. — *Reuters*

US FDA finds new manufacturing lapses at Eli Lilly New Jersey plant

WASHINGTON — US inspectors recently uncovered new manufacturing problems at an Eli Lilly plant that has been under scrutiny by federal investigators, according to government records obtained by Reuters.

The US Food and Drug Administration (FDA) inspection in July at Lilly's Branchburg, New Jersey, plant detected eight separate deficiencies. They included problems in tracking manufacturing process and quality controls, as well as lapses in its calibration of equipment and failure to properly maintain facilities and equipment, the inspection report shows.

The inspection report, which Reuters obtained through a Freedom of Information Act request, was partially redacted to remove the names of any products affected.

Lilly said in a statement to Reuters that the company had asked the FDA to allow for "additional flexibility" to manufacture migraine treatment Emgality on a different production line if needed in the future.

The FDA inspectors' visit to the plant followed that request and "resulted in some observations that were, in most cases, either addressed during the inspection or already in progress as program improvements," Lilly said. "Importantly, this situation does not affect

the quality, safety or supply of any current or planned Lilly products in the marketplace."

The drugmaker said that no other products made at the facility were impacted by the inspection.

The FDA declined to comment. Other drugs produced at the plant include the widely used diabetes medicine Trulicity as well as cancer treatments Erbitux and Cyramza.

Lilly has become the world's most valuable healthcare company by market capitalization. Its shares rose 59% last year on surging demand for Mounjaro, a diabetes drug that is also a powerful obesity treatment.

The drug was approved for weight loss under the brand name Zepbound in the US late last year. Lilly said in a statement that tirzepatide, the active ingredient in Mounjaro and Zepbound, was not manufactured at the Branchburg plant.

Yet the Indianapolis-based drugmaker has been cited multiple times for manufacturing problems at its US plants over the last few years, Reuters has reported.

The Branchburg facility has been the subject of a US Department of Justice probe following a separate Reuters story in 2021 that detailed allegations of poor manufacturing practices and data falsification.

Lilly and the Justice Department declined to comment on the status of that inquiry.

'CONCERNING' PROBLEMS

Three regulatory experts who reviewed the new inspection report described the most recent lapses as serious.

"It's like whack-a-mole at this plant. The company seems to address one set of problems, only for other serious concerns to keep popping up," said Steven Lynn, a former head of the FDA's Office of Manufacturing and Product Quality.

The report described inadequate protection of electronic records detailing their manufacturing process, which could leave the company open to potential data manipulation.

Inspectors also cited inadequate training of staff who were testing samples of the drugs and examples of missing samples meant to show the stability of the medicines before their release. The company failed to address those missing samples in a timely manner, the report noted.

One particularly concerning finding suggested neglect of equipment and the facility overall, said one of the experts, a government official with knowledge about such manufacturing issues.

For instance, the inspectors noted discoloration of a container used to purify the active ingredient of drugs, which could lead to contamination, said the expert, who did not want to be named because they were not authorized to speak to media.

Former FDA official Lynn agreed the problems were "concerning," especially the issue with the electronic tracking system, which is meant to ensure "test results and other lab activities can't be changed by someone."

The three experts interviewed by Reuters said the FDA could categorize such lapses as the most serious, or "Official Action Indicated," when it responds to the inspectors' findings. The FDA declined to comment on the timing of any response.

However, the ultimate rating of the inspection could be less severe if the company was already taking "robust corrective and preventive actions" to ensure the quality of drugs made at the facility, Mr. Lynn said.

Late last year, Lilly and a former employee agreed to settle a lawsuit in which the worker claimed she was terminated after pointing out poor manufacturing practices and data falsification, according to court filings. Lilly denied the allegations. — *Reuters*

Binance to face off against US securities regulator in Washington D.C. court

BINANCE is due to square off against the US Securities and Exchange Commission (SEC) in a Washington courtroom this week, in another high-profile hearing involving the agency and a crypto exchange that could define how cryptocurrencies are regulated.

The world's largest crypto exchange previously asked federal Judge Amy Berman Jackson to

toss out a lawsuit the SEC filed in June alleging Binance broke its rules, and is expected to make its case for dismissal before her on Monday.

The regulator accused Binance, its chief executive officer and founder Changpeng Zhao and the exchange's US arm of artificially inflating its trading volumes, diverting customer funds, failing to restrict US customers

from its platform and misleading investors about its market surveillance controls.

It also accused Binance of unlawfully facilitating trading of several crypto tokens the SEC deemed unregistered securities.

The hearing had originally been slated for Friday but was postponed due to snow in the Washington, D.C., area, the court

said in a notice. It has been rescheduled for Monday, Jan. 22 at 10 a.m. EST (1500 GMT), the notice said.

The hearing will follow a separate hearing earlier this week in the SEC's case against rival US crypto exchange, Coinbase, which was also accused by the SEC of trading cryptocurrencies that should have been registered.

The SEC has long argued most crypto tokens are akin to securities subject to its oversight, while the crypto sector largely disputes the SEC's stance. Both cases are expected to help shape the SEC's authority over the sector.

BAM Trading, the operator of Binance US, has said in court filings that the SEC does not have the authority to oversee crypto assets, an argument similar to

that of Coinbase, which is also seeking dismissal of the SEC case.

Binance Holdings last year agreed to pay \$4.3 billion to settle with the Department of Justice and Commodity Futures Trading Commission over illicit finance breaches, and Mr. Zhao pleaded guilty to breaking US anti-money-laundering laws. But the SEC's case is still hanging over the exchange. — *Reuters*

Job plan

In September, Mr. Marcos signed into law a bill creating a national master plan to boost employment and job quality through upskilling and reskilling programs. An interagency body headed by the National Economic and Development Authority (NEDA), Trade and Labor secretaries, will help local governments carry out job recovery programs.

Mr. Mata said the government has yet to come up with a concrete plan for the Philippine workforce because the law only mobilized the bureaucracy to develop a roadmap.

"What we need is an activist government, one that would actively promote an industrial policy and intervene in the labor market and directly generate jobs through a robust public employment program," he said.

Partido Manggagawa Chairman and former Party-List Rep. Renato B. Magtubo said state infrastructure campaigns have only provided temporary or seasonal jobs that failed to address local joblessness.

"The government should develop the agriculture sector, build capacities and boost the competitiveness of homegrown industries to generate quality and sustainable jobs," he said in a Viber message.

Congress on Dec. 13 ratified the Bicameral Conference Committee report of a bill that seeks to uphold the rights and welfare of Filipino seafarers, while setting up a shipboard training program for local seamen. The President has yet to sign it into law.

WAGE HIKE

The proposed Magna Carta for Seafarers would help the Philippines comply with global maritime standards, Carlos Miguel S. Oñate, a legislative officer at the Trade Union Congress of the Philippines (TUCP), said in an e-mail. "It will address decades-old deficits of our domestic policies on training and accreditation in line with international standards."

The European Maritime Safety Agency (EMSA) raised issues about Philippine compliance with European Union (EU) standards on maritime training after an inspection of maritime schools last year. It noted that almost 50,000 Filipino seamen working in European vessels could lose their jobs if the Philippines fails to address the deficiencies.

TUCP wants Congress to approve bills that will address the plight of contractual workers and ensure the right of workers to form unions.

Mr. Matula also cited the need to pass the P150 across-the-board wage hike pend-



PHILIPPINE STAR/EDD GUMBAN

JOBSEEKERS gathered at the Mega Job Fair in a mall on Jan. 18.

ing before the Senate, saying the legislated increase would boost the purchasing power of Filipinos and prop up the economy.

"It has become more important after the regional wage-setting mechanisms utterly failed to provide the much-needed relief from the high cost of living brought by oil price hikes, spiraling costs of food and other commodities, as well as transportation," he said.

A bloc of congressmen has also filed a bill seeking a P750 wage hike for private sector workers, including those in special economic zones, freeports and agriculture.

Labor groups have urged the government to reform the regional wage-setting system to ensure wages keep up with the rising cost of living. A Filipino family of five would need at least P13,797 a month or P460 a day to meet their basic needs, according to the local statistics agency.

NEDA Secretary Arsenio M. Balisacan has warned that proposals to legislate a P150 wage hike could stoke inflation.

Runaway inflation forced global central banks to drive up interest rates to the fastest in decades last year, though the World Bank has said prices are poised to continue easing in the coming months.

Philippine inflation averaged 6% last year compared with 5.8% a year earlier, marking the second straight year that the Bangko Sentral ng Pilipinas breached its 2-4% target.

The Employers Confederation of the Philippines has said a legislated wage hike should also consider workers in less formal employment, noting that private sector workers only account for 16% of the country's workforce.

"Higher wages will boost consumption and drive wage-led growth," TUCP's Mr. Oñate said in an e-mail. "It will promote inclusive growth and equity by expanding industries and creating more and better jobs through higher consumption demand driven by the higher wages of working families."

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