

Profit motive big hurdle for Ebola drugs

AFP, Paris

For nearly four decades, mention of the Ebola virus has evoked death and terror, yet a simple factor -- money -- has stood in the way of erasing the curse, experts say.

Despite its evil reputation, Ebola breaks out only rarely in brief if murderous spurts in impoverished African countries.

That tiny -- and poor -- market means the disease has been a very low priority for Big Pharma, given the hundreds of millions of dollars it can take to devise a new drug or vaccine.

Today, after years of low-key progress with the Pentagon as main funder, the search for vaccines and drugs for Ebola has been thrown into higher gear and, for now, the profit factor has been put to one side.

"Until this west African epidemic, Ebola was not a public health problem and (was) a really rare disease," says Professor Peter Piot, director of the London School of Hygiene and Tropical Medicine, who co-discovered the Ebola virus in 1976.

"There was very little interest in all quarters, not just pharma," Piot said in an email to AFP.

"Things have changed now, and two major companies are investing in a vaccine -- GSK (GlaxoSmithKline) and (Johnson & Johnson subsidiary) Janssen."

Sylvain Baize, in charge of the Viral Haemorrhagic



A man washes his hands at the entrance of the Conakry harbour on Friday, as part of the measures against the ebola epidemic, which killed more than 2,400 people and infected twice that number, according to the World Health Organisation.

Fevers Reference Centre at France's Pasteur Institute, said Ebola had claimed fewer than 2,000 lives in almost 40 years, a minute toll compared with other diseases.

"If these 2,000 deaths had occurred in industrialised countries, things may have been different, but it was 2,000 dead in the middle of Africa, so nobody cared very much," Baize said sardonically.

Ebola's extraordinary lethality was another reason why it never became a top target for research, he said.

"It has to be confined in a top-security P4 laboratory, of which there are very few in the world, so there are not many people who in fact can work on it," Baize said.

The recent shakeup has been spurred by an epidemic in four west African countries -- Guinea, Liberia, Nigeria and Sierra Leone -- that has killed more than 2,400 people, about half of the confirmed infections.

The outbreak has caused social dislocation and economic disruption, and bred fears in neighbouring countries and Europe that the deadly disease could spread there too.

The two treatments and two vaccines furthest advanced in the research pipeline are still at the very earliest testing stages to see if they are safe -- and if they work.

On August 12, the UN's World Health Organisation

(WHO) gave the green light to using experimental drugs, saying it would be ethical given the extent of the Ebola crisis and the fact that no cure or vaccine so far exists.

Human trials typically take several years under an exhaustive, three-phase vetting procedure.

On September 5, the WHO voiced hopes a vaccine would be available in November for frontline health workers.

If this fast-tracking process yields results, it raises the next question: Who will pay to manufacture the drug and distribute it?

"Ebola is a classic orphan disease," said Annette Rid, a doctor of bioethics at King's College London, adding

that public funds, charities and institutional donors would have to stump up the seed money.

"Once it is established that a therapy or vaccine is effective, stockpiles need to be established in those African countries where Ebola is likely to re-emerge," said Piot.

"This can be funded by the international community, and done under the aegis of the WHO."

Anthony Fauci, director of the US National Institute of Allergy and Infectious Diseases (NIAID), said he was increasingly optimistic that Big Pharma would play a role, given the scale of the crisis.

"I think there was previously no incentive, but now that everyone sees that it is a big problem, we are getting more and more companies involved," he told AFP.

Seth Berkley, head of the GAVI Alliance, a public-private partnership designed to bring vaccines to poor countries, said a panoply of tools existed for harnessing the profit motive.

"You can directly finance the vaccine technology transfer, you can incentivise companies by funding them directly, you can create an advanced market commitment with supplemental funds to try to make it a good deal for business, you can create a long-term plan for buying the vaccines as an incentive," he said.

"There is a range of mechanisms there and it could be done rather quickly."

Bitcoin gets boost as US watchdog approves first swap

REUTERS, Washington

TeraExchange on Friday launched a swap based on the bitcoin virtual currency, becoming the first to receive approval from a US federal regulator for a financial product based on the budding technology.

The derivative allows clients to protect the value of their bitcoin holdings by locking in a dollar value, offering an insurance against the astronomical price swings that have plagued the computer-generated currency.

"For a merchant to take bitcoin, there wasn't until this product a regulated way for them to put on a hedge to manage the risk ... and now with this product they can," Christian Martin, who heads TeraExchange, told Reuters.

Unlike conventional money, bitcoin is independent of control or backing by any government -- something its advocates like, but that has also led to calls for more oversight and raised questions as to how to treat it for tax purposes.

Bitcoin started circulating in 2009 and is accepted as payment by an increasing, if small, number of companies. But huge swings in its value, and incidents where clients lost millions of dollars have hurt its reputation.

It took TeraExchange, which was launched in 2010, almost half a year to get the product past the regulator, the Commodity Futures Trading Commission, since first announcing its plans to launch

the swap in March.

The company, one of a handful of platforms to facilitate regulated swaps trading that sprung up after the crisis, had to construct an index to gauge the value of bitcoin that the CFTC was satisfied could not easily be manipulated.

The global scandal around the Libor interest rate benchmark, in which large banks were forced to pay billions of dollars, showed how easily traders can skew benchmarks, and then make profits through their swaps positions.

The Tera Bitcoin Price Index was based on information from six different exchanges the company said, a number it expected to grow. It had agreed with the exchanges to share information if there were suspicious price moves.

A decision last year by the US Treasury to classify exchangers of bitcoin as money transmitters put such firms under the remit of state regulators, and the industry has met with a fractured response from federal regulators.

The decision by the CFTC, which regulates swaps and futures, constitutes the first recognition by a US federal regulator of a bitcoin financial product, even if the product does not itself involve the exchange of actual bitcoins.

The swap locks in the dollar value of a given bitcoin amount, and the difference is settled in dollars when the contract expires. At both moments, the contract references the new price index, which is published in real time.



Md Shafiqur Rahman, managing director of Social Islami Bank, and Rabiul Alam, chairman of Semicon Private Ltd, exchange documents of an agreement on mobile financial services, at a programme recently.

China's wealthy grow despite graft crackdown

AFP, Shanghai

China's dollar millionaires have increased steadily to more than one million, according to an independent publisher, despite a corruption crackdown and austerity programme launched by the government.

The number of millionaires in mainland China rose 3.8 percent from last year to 1.09 million, according to the Hurun Report, a China-based publisher of luxury magazines and compiler of an annual list of the country's richest people.

The number of "super-rich", defined as those people with personal wealth of at least 100 million yuan (\$16 million) rose 3.7 percent to 67,000, it said.

"Although we have been seeing a slowdown in spending, the money is still very much there," founder of the Hurun Report, Rupert Hoogewerf, said in the report

Thursday.

After Chinese leader Xi Jinping took over as head of the ruling Communist Party at the end of 2012, he launched both a government austerity campaign and anti-corruption drive which has hit the market for luxury products especially hard.

China's political capital Beijing still has the biggest number of wealthy with 192,000 millionaires and 11,300 super-rich, the report said. The southern province of Guangdong and commercial hub Shanghai follow in both categories.

It forecast the number of millionaires in China could reach 1.21 million and super-rich may rise to 73,000 in the next three years, lifted by steady economic growth.

Millionaires in China include private business owners, professional stock market investors, real estate investors and high-salaried executives, the report said.

Microsoft needs Minecraft to boost mobile ambitions

REUTERS, Seattle

Microsoft's impending purchase of Mojang, the Swedish developer with 100 million players of its open world Minecraft game, is more aimed at pulling users onto the software company's obscure mobile platform than its better known PC system or Xbox game console.

The software company's Windows Phone system has only 2.5 percent of the world's smartphone market, and its Surface tablet barely more, according to tech research firm IDC. Growth is hampered because many app and game developers ignore it.

Enter Minecraft, which is the top paid app both on Apple Inc's iOS and Google Inc's Android systems. Microsoft will unveil a \$2.5 billion deal to buy its owner on Monday, according to a source briefed on the matter.

"It seems like Microsoft is looking at Mojang and Minecraft as a way to tap into this enormous cultural phenomenon," said Dave Biscoe, Chief Executive of independent game studio Tap Lab. "If you look at iOS, Minecraft has been a top-grossing game for quite some time, if Microsoft could on Windows phones give players a unique and compelling experience that you can't get on the

other platforms, that could be a driver to sell devices to existing Minecraft fans."

Microsoft does not disclose numbers of users of Windows Phones, and declined comment on the deal.

Minecraft was launched five years ago as a PC game, but 54 million sales later, about 40 percent of copies are downloaded onto phones and tablets. Left to their own devices, it does not seem likely that Mojang's 40-strong team would ever get round to designing a Windows Phone version of Minecraft.

Markus Persson, the game's creator and co-founder of Mojang, said last year that Windows phones are so insignificant in terms of market share that they are not worth developing for. "Because it's tiny," Persson wrote in an email to Reuters last June, when asked why his company only made mobile versions of its games for iOS and Android, but not Windows Phone.

"Both Symbian and BlackBerry have more users than Windows Phone," wrote Persson, referring to Nokia's discontinued operating system and the fading Canadian smartphone pioneer.

Wall Street is focused on the mobile benefits for Microsoft.

"We don't view this acquisition as a signal of Microsoft's intent to double down on Xbox but con-

sider it an attempt to better address mobile on a cross-platform basis," said Nomura analyst Rick Sherlund in a note to clients this week. "This also appears to be consistent with (Microsoft) CEO Satya Nadella's mobile and cloud strategy."

Microsoft is expected to pay close to \$2.5 billion for Mojang, or about 8 times sales last year. That is small change for Microsoft, which has \$86 billion in cash and short-term investments. But it is relatively large and expensive for game company acquisitions, which do not have a stellar record of success.

Japan's SoftBank Corp paid \$1.53 billion for a 50 percent stake in Finnish game maker Supercell last year at about 3.5 times projected annual sales. Electronic Arts' \$750 million acquisition of PopCap in 2011 was valued around 10 to 11 times sales.

Joost van Dreunen, Chief Executive of research firm SuperData, said the price tag "seems like a lot for a title that has certainly not peaked but is certainly not in its initial frenzy."

He doubts that Minecraft can really help Windows phone sales: "Minecraft itself has done very well on the iOS platform, but it's better on the iPad, the screen is bigger," he said. "I don't see why this could drive handset sales."

Chinese tech giant Huawei on Europe recruitment drive

AFP, Beijing

Controversial Chinese technology giant Huawei -- which has been condemned as a security risk in the US and Australia -- is to recruit hundreds of research and development staff in Europe, the president of its French subsidiary said.

"In the next two or three years, we are going to double our researchers" in Europe, who currently number around 800, Francois Quentin told AFP.

A total of 200 of the new staff, including applied mathematicians and designers, will be based in France.

In July, Huawei was ranked as the world's number three smartphone maker by sales, behind South Korea's Samsung and Apple of the US, according to research firm International Data Corp.

It has 17 research sites in Europe spread across eight countries, including Germany, Finland and Italy, and expects to employ 13,000 people across the continent by 2017.

The Shenzhen-based firm was founded in 1987 by former People's Liberation Army engineer Ren Zhengfei, and is now among the world's top makers of telecommunications equipment.

Washington has long seen it as a security threat due to perceived close links to the Chinese government, which the company denies, and both the United States and Australia have barred it from involvement in broadband projects over espionage fears. It denies such allegations vigorously.



M Ghaziul Haque, chairman of Eastern Bank, presents a symbolic key of an ambulance, donated as part of EBL's CSR activities, to Md Shamsul Hoque Chisty, president of Anjuman Mufidul Islam, at a ceremony at the EBL head office in Motijheel, Dhaka on Thursday.



Matiul Islam Nowshad, chief corporate and people officer of Robi, attends the opening of a career fair at Bangladesh University of Engineering and Technology in Dhaka recently. The fair concluded on Wednesday.



Md Ahsan-uz Zaman, managing director of Midland Bank, attends the launch of the bank's internet banking service--midland online--at a ceremony at the bank's head office in Gulshan, Dhaka recently.