GSK and Google parent forge $715m bioelectronic medicines firm

REUTERS, London

GLAXOSMITHKLINE and Google parent Alphabet's life sciences unit are creating a new company focused on fighting diseases by targeting electrical signals in the body, jump-starting a novel field of medicine called bioelectronics.

Verily Life Sciences - known as Google's life sciences unit until last year - and Britain's biggest drugmaker will together contribute 540 million pounds ($715 million) over seven years to Galvani Bioelectronics, they said on Monday.

The new company, owned 55 percent by GSK and 45 percent by Verily, will be based at GSK's Stevenage research centre north of London, with a second research hub in South San Francisco.

It is GSK's second notable investment in Britain since the country voted to leave the European Union in June. Last week it announced plans to spend 275 million pounds on drug manufacturing.

Galvani will develop miniaturised, implantable devices that can modify electrical nerve signals. The aim is to modulate irregular or altered impulses that occur in many illnesses.

GSK believes chronic conditions such as diabetes, arthritis and asthma could be treated using these tiny devices, which consist of a electronic collar that wraps around nerves.

Kris Famm, GSK's head of bioelectronics research and president of Galvani, said the first bioelectronic medicines using these implants to stimulate nerves could be submitted for regulatory approval by around 2023.

"We have had really promising results in animal tests, where we've shown we can address some chronic diseases with this mechanism, and now we are bringing that work into the clinic," he told Reuters.

"Our goal is to have our first medicines ready for regulatory approval in seven years."

GSK first unveiled its ambitions in bioelectronics in a paper in the journal Nature three years ago and believes it is ahead of Big Pharma rivals in developing medicines that use electrical impulses rather than traditional chemicals or proteins.

The tie-up shows the growing convergence of healthcare and technology. Verily already has several other medical projects in the works, including the development of a smart contact lens in partnership with the Swiss drugmaker Novartis that has an embedded glucose sensor to help monitor diabetes.

Famm said the first generation of implants coming to market would be around the size of a medical pill but the aim eventually was to make them as small or smaller than a grain of rice, using the latest advances in nanotechnology.

Patients will be treated with keyhole surgery and the hope is that bioelectronic medicine could provide a one-off treatment, potentially lasting decades.

Major challenges including making the devices ultra low-power so that they function reliably deep inside the body.

The idea of treating serious disease with electrical impulses is not completely new.

Large-scale electrical devices have been used for years as heart pacemakers and, more recently, deep brain stimulation has been applied to treat Parkinson's disease and severe depression, while EnteroMedics last year won U.S. approval for a device to help obese people control their appetite.

Galvani, however, is taking electrical interventions to the micro level, using tiny implants to coax insulin from cells to treat diabetes, for example, or correct muscle imbalances in lung diseases.

Galvani will initially employ around 30 scientists, engineers and clinicians.

The company will be chaired by Moncef Slaoui, GSK's vaccines head, who pioneered the drugmaker's drive into the bioelectronics field. Slaoui is retiring from GSK next March but will continue to steer Galvani after that date, a spokesman said.

Galvani will be fully consolidated in GSK's financial statements, following the model of the group's majority-owned ViiV Healthcare business, which sells HIV medicines.

REUTERS/FILE

A GlaxoSmithKline logo is seen outside one of its buildings in west London.

India's gold imports drop for sixth straight month in July

REUTERS, Mumbai

INDIA'S gold imports fell for a sixth straight month in July as sluggish demand and record high discounts prompted banks and refineries to reduce overseas purchases of bullion, provisional data from consultancy GFMS showed on Monday.

Lower demand from the world's No.2 gold consumer could hurt global spot prices that are trading near a two-year high, but help the south Asian country to reduce trade deficit. Gold is one of India's biggest expenses on its import bill.

India's gold imports in July are estimated at 20 tonnes, GFMS data showed, the lowest since March and down 79.3 percent from a year ago.

"Demand for imported gold fell sharply as discounts (to the global spot benchmark) were in the range of $50 to $100 in cash market through the month," said Sudheesh Nambiath, a senior analyst at GFMS, a division of Thomson Reuters.

Dealers have been offering record discounts to lure buyers, but demand remains bleak with customers more eager to sell old jewellery and bank profits at current high prices.

"In the last two months, scrap supplies have risen substantially. It has reduced the need of new imports," Bachhraj Bamalwa, director at All India Gems and Jewellery Trade Federation, told Reuters.

Local gold prices jumped to 32,455 rupees ($486.44) per 10 grams in July, the highest in nearly three years.

Gold is trading at a heavy discount also due to rising supplies from unofficial channels, Bamalwa said.

Smuggling of the precious metal has risen in India since the government imposed a 10 percent import duty in 2013.

India's gold imports in the first seven of months of 2016 slumped 57 percent from a year ago to 215 tonnes, according to GFMS. Arrivals in 2016 are likely to reach 600 tonnes, the lowest since 2003.

REUTERS/FILE

A salesman arranges a gold necklace inside a jewellery showroom in India.

Ride-share battle ends with Didi buying Uber China operations

AFP, Beijing

CHINESE ride-sharing giant Didi Chuxing will take over the China operations of its US rival Uber, it said Monday, ending a ferocious battle for market share that cost both firms billions.

In exchange for the Uber China assets, Uber and its Chinese partners will receive shares equivalent to 20 percent of Didi Chuxing, a statement said.

The combined Chinese firm will be valued at $35 billion, Bloomberg News reported. Since Uber launched its China operations little more than two years ago both companies have spent billions of dollars on subsidies for drivers and passengers in China, as well as trading vitriolic accusations, as they fought for dominance in the potentially lucrative market.

But now their founders will swap public acrimony for seats on each other's boards, with Uber CEO Travis Kalanick joining Didi's board of directors, and Didi's founder Cheng Wei getting a seat at Uber's top table.

In the Didi statement Cheng said the two firms "have learned a great deal from each other over the past two years in China's burgeoning new economy".

Earlier this year Uber said it lost $1 billion annually in China, and Didi was thought to be dropping similar amounts of money.

A lengthy post on Kalanick's verified Facebook page Monday called Uber's battle in China a "big, bold idea" and "one of the most rewarding experiences I've had as an entrepreneur".

"Most people thought we were naive, crazy - or both" because the firm was "a young American business entering a country where most US internet companies had failed to crack the code", he said.

His at times elegiac farewell praised the company's China team as "the smartest and most entrepreneurial sons and daughters of China" who were "nobly serving" China's cities.

But he went on: "As an entrepreneur, I've learned that being successful is about listening to your head as much as following your heart."

A sustainable business was "only possible with profitability", he said, and the merger would free up "substantial resources", while Uber will become Didi's largest shareholder.

He signed off the post "with much UberChina love".

The deal comes days after Chinese authorities announced new rules governing ride-sharing, making clear for the first time that they may operate legally in the country. The new rules will also forbid ride-sharing platforms from operating below cost, possibly restricting their scope to offer subsidies.

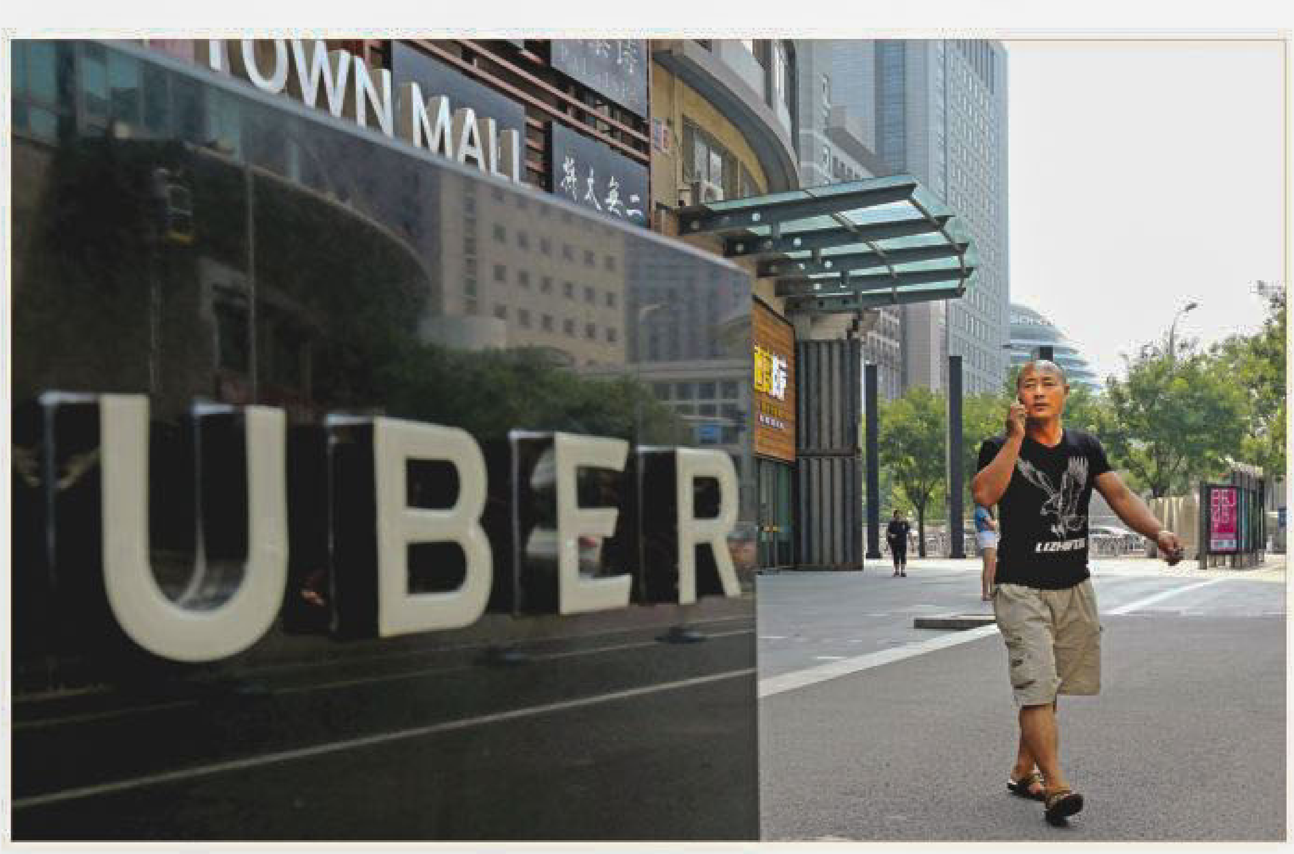
Rides in major cities with Uber and Didi have often cost significantly less than regular cab fares due to the payments, and many drivers work for both companies at the same time.

One user on China's Twitter-like Weibo service lamented the merger, saying: "This is meant to tell us that ride-sharing is now legal and we are going to raise the price."

One Didi driver was reluctant to believe the merger Monday. "If it is true, the allowance offered by Didi or Uber now will certainly decrease," the man, surnamed Su, told AFP.

Didi, which claims almost 90 percent of China's ride-hailing market, said last month it had recently raised $7.3 billion - - $1 billion of which came from Apple -- in one of the world's largest private equity financing rounds.

As part of the merger Didi Chuxing will also take a stake in Uber, with reports saying it will invest $1 billion, valuing the US firm at $68 billion.



AFP

A man walks past an Uber station outside a shopping mall in Beijing.

Singapore launches unit to fight money laundering

AFP, Singapore

SINGAPORE'S central bank on Monday formally launched a unit to fight money laundering, strengthening the financial hub's safeguards against illicit fund flows.

Officials of the Monetary Authority of Singapore (MAS) have said plans to create the special unit predated a continuing scandal involving state fund 1MDB in neighbouring Malaysia and banks operating in Singapore.

"But these recent developments have indeed underscored the merits of bringing together supervisory resources from across MAS to give a centralised focus on combating money laundering," a spokesman for the MAS said in June when it announced the creation of the unit.

Singapore last year opened an investigation into fund flows linked to 1MDB. In May this year it expelled Switzerland's BSI Bank for "gross misconduct" related to the Malaysian fund. Last month Singapore revealed it had seized nearly $180 million in assets through its investigations into suspected fraud and money-laundering linked to 1MDB.

Half those assets were connected to Low Taek Jho, a Malaysian businessman close to Malaysian Prime Minister Najib Razak. The MAS on Monday confirmed it was examining the extent of Goldman Sachs Singapore's involvement in 1MDB bond deals.

US regulators last week said they had issued subpoenas to the American investment bank asking for documents related to its dealings with 1MDB.

"As our financial centre grows in scale, sophistication, and connectivity, so does the risk of criminal elements abusing our financial system," MAS managing director Ravi Menon said in June.

"We will strengthen our supervision of financial institutions' controls to combat money laundering and illicit financing. And we will enhance our enforcement capability to deter poor controls or criminal behaviour in the industry."

Yingluck rice scheme cost Thailand $8b: junta

AFP, Bangkok

THAILAND'S military rulers Monday said a rice subsidy scheme by the government it ousted cost the state more than $8 billion, adding former leader Yingluck Shinawatra should be personally sued for the loss.

Yingluck, Thailand's first female premier, was booted from office by a court days before army chief Prayut Chan-O-Cha seized power in May 2014.

The rice scheme was a major catalyst in months of debilitating protests that led to the military takeover.

She has since been retroactively impeached over the scheme and is currently undergoing a separate criminal negligence trial which could see her jailed for up to ten years.

Now the junta says it will push a civil damages case against her and some key former ministers.

"A fact-finding committee panel... has found that the damage cost of rice pledging scheme was 286.6 billion baht ($8.2 billion)," Panada Disakul, a minister to the Prime Minister's Office, told reporters, the first time a hard figure has been given for the losses.

Yingluck, whose older brother Thaksin Shinawatra was booted out as premier by a 2006 coup, is accused of failing to halt rampant corruption in the multi-billion dollar subsidy.

She is expected to appear in court on Friday to begin laying out her defence in the ongoing criminal trial.

The scheme offered farmers nearly double the market rate for their crop, pumping billions of dollars into the Shinawatras' key support base in the country's northeastern rice bowl.

But the programme was panned by critics as financially ruinous and a naked attempt at vote-buying by the Shinawatra clan.

The former premier denies wrongdoing and says the scheme was a genuine attempt to help rice farmers, mainly in the poor, populous and long-neglected north and northeast.

LG Electronics to start selling new premium smartphone in September

REUTERS

SOUTH Korea's LG Electronics Inc said on Monday it plans to start selling a new premium smartphone from September, hoping the device will help its struggling mobile business recover from disappointing sales.

LG said its V20 device, successor to the V10 that went on sale in October last year, will be the first product to run on Google's latest version of its Android mobile operating system called Nougat at launch. The company did not disclose further details on the V20.

The firm has two main premium phone series and its G5 phone, launched in March, has had weaker-than-expected sales following initial production difficulties. As a result, the South Korean firm's mobile business reported its fifth straight quarter of operating loss for April-June.

The company said last week the launch of new products, including a successor to the V10, will help its performance improve in the third quarter. Rivals are also pushing new devices to market soon, however: Samsung Electronics Co Ltd will unveil its next Galaxy Note smartphone on Wednesday, while Apple Inc is expected to launch new iPhones in September.

REUTERS/FILE

Visitors walk past the showroom of LG Electronics during the Auto China 2016 show in Beijing.