

This file photo, shows the exterior of the Mallinckrodt Pharmaceuticals office in St. Louis. Mallinckrodt is seeking protection in federal bankruptcy court, as the generic drugmaker deals with lawsuits over its role in the US opioid crisis. (AP)



Mallinckrodt, ensnared in opioid crisis, seeks Chapter 11

A New Jersey drugmaker ensnared in the fallout from America's opioid crisis is seeking bankruptcy protection. Mallinckrodt said Monday that it had begun Chapter 11 proceedings to restructure debt and resolve "several billion dollars of otherwise unmanageable potential legal liabilities." The drugmaker, one of the highest-volume opioid producers in the US at the height of the nation's prescription drug crisis, announced in February a tentative \$1.6 billion settlement to avert hundreds of lawsuits. It said Monday that it plans to amend the settlement as it restructures.

Under the proposed settlement, opioid claims would be channeled to trusts that receive \$1.6 billion in structured payments. Claimants also would receive warrants for about 20% of the company's fully diluted outstanding shares, the company said Monday. A court-appointed committee representing thousands of plaintiffs in the opioid lawsuits will recommend support for the amended agreement, Mallinckrodt said. The company did not immediately respond early Monday to inquiries about whether the amended deal affects the amounts individual plaintiffs may receive.

Trading in company shares, which dipped under \$1 for the first time this month as investors bailed out, were halted at the opening bell Monday. The stock went for well over \$100 just over five years ago. Mallinckrodt's path through the bankruptcy courts follows that of Purdue Pharma, the maker of OxyContin, last year. Mallinckrodt plans to slash its debt by about \$1.3 billion and it will continue to operate during the process. (AP)

Market Movements 12-10-2020

		Change	Closing pts			Change	Closing pts
AUSTRALIA	All Ordinaries	+30.59	6,343.07	JAPAN	Nikkei	-61.00	23,558.69
	CHINA	Shanghai SE	+86.39		3,358.47	PAKISTAN	KSE 100
EUROPE	Euro Stoxx 50	+25.00	3,298.12				
FRANCE	CAC 40	+32.48	4,979.29				
GERMANY	DAX	+87.18	13,138.41				
INDIA	Sensex	+84.31	40,593.80				
PHILIPPINES	PSEI	+5.44	5,937.05				
S. KOREA	KRX 100	+20.31	5,122.45				

Business

'Discoveries of Milgrom and Wilson have benefited sellers, buyers and taxpayers'

2 Stanford economists win Nobel Prize for auction theory

STOCKHOLM, Oct 12, (AP) - Two American economists won the Nobel Prize on Monday for improving the theory of how auctions work and inventing new and better auction formats that are now woven into many parts of the economy, including one that revolutionized the telecoms industry.

The discoveries of Paul R. Milgrom and Robert B. Wilson "have benefited sellers, buyers and taxpayers around the world," the Nobel Committee said, noting that the auction formats developed by the winners have been used to sell radio frequencies, electricity, fishing quotas and airport landing slots.

Both economists are based at Stanford University, which said their work is credited with shaping the entire modern telecommunications industry after they developed a new format for the US Federal Communications Commission's radio spectrum auctions in 1994. That format has since been copied and adapted for dozens of auctions involving hundreds of billion dollars worldwide.

Reached by phone at his home in California, Milgrom said he received news of their win "in a strange way." "I got a knock at my door from



Winners of the Sveriges Riksbank Prize in Economic Sciences in memory of Alfred Nobel for 2020 at a press conference in Stockholm on Oct 12. Americans Paul R. Milgrom (left), and Robert B. Wilson have won the Nobel Prize in economics for 'improvements to auction theory and inventions of new auction formats'. (AP)

Bob Wilson," he told The Associated Press. "He was my PhD advisor, and he lives right across the street from me."

Milgrom said students, friends and colleagues had long suggested he and Wilson might be due for the prize. "It's really sweet actually," he

said. "It's nice to have their respect but their affection as well."

Technically known as the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel, the award was established in 1969 and is now widely considered one of

the Nobel prizes. The winners were announced in Stockholm by Goran Hansson, secretary-general of the Royal Swedish Academy of Sciences.

The committee said Wilson's work showed "why rational bidders tend to place bids below their own best estimate of the common value."

"(Bidders) are worried about the winner's curse - that is, about paying too much and losing out," the committee said.

Among the problems that the two tried to tackle was the "snake in the grass strategy," Wilson said. This involves a company keeping its interest in the item being sold secret for most of the auction and then making the winning bid at the last minute.

"It's like sniping an eBay auction," Wilson told the AP. "We had to design rules that at that time sort of restricted that kind of activity."

This involved forcing bidders to reveal their interest earlier on, he said. Wilson said his interest in auction theory dated back to the 1950s and that he thought the time for winning a Nobel Prize had already passed.

Speaking to reporters in Stockholm by phone after learning of his win, Wilson struggled to think of a

recent auction he himself had participated in. But then added: "My wife points out to me that we bought ski boots on eBay."

The 83-year-old described his former student as "sort of the genius behind all of this auction work." Milgrom, 72, developed a more general theory of auctions that takes into account what is known as the "private value" of what's being sold that can vary greatly from bidder to bidder.

Americans have figured prominently among this year's Nobel winners. Leaving aside the peace prize, which went to the UN's World Food Program, seven of the 11 laureates have been Americans.

"After the Second World War there's been an enormous investment in research and higher education in the United States, and that has paid off in all the sciences," said Hansson. "And we'll see how that trend may change in the future."

Last year's award went to two researchers from the Massachusetts Institute of Technology and a third from Harvard University, for their groundbreaking research into efforts to reduce global poverty.

Few economists could have predicted last fall that the globe would

come to a virtual standstill within months, as governments closed their borders, imposed lockdowns and ordered other measures to stop the spread of COVID-19, triggering a sharp dip in business activity worldwide.

Wilson said that, given the ongoing pandemic, he had no immediate plans for what to do with his share of the 10-million krona (\$1.1 million) cash prize that comes with the award, along with a gold medal.

"There's not much I can use it for, in terms, you know, travel or something," he told reporters on the phone from Stanford. "Probably I'll just save it for my wife, my children."

Last week, the Nobel Committee awarded the prize for physiology and medicine for discovering the liver-ravaging hepatitis C virus. The prize for physics honored breakthroughs in understanding the mysteries of cosmic black holes, and the chemistry prize went to scientists behind a powerful gene-editing tool.

The literature prize was awarded to American poet Louise Glück for her "candid and uncompromising" work. The World Food Program won the Nobel Peace Prize for its effort to combat hunger worldwide.



In this file photo, traders are seen on the floor of Boursa Kuwait.

Kuwait's quest to revamp its financial mkt ongoing - exec

KUWAIT CITY, Oct 12, (KUNA) - Boursa Kuwait affirmed on Monday it is pursuing an approach toward strategic goals for revamping the national financial market and promoting investments internationally, as a prelude to listing in the MSCI index of emerging markets set late November.

Nora Al-Abdulkarim, the head of the bourse markets section, said during a virtual seminar, organized by HSBC and the Capital Market Authority Monday, that the bourse had taken a chain of extraordinary measures regarding trading

mechanisms, in tandem with the forecast listing.

This mechanism will be operated during the listing day, solely, to absorb liquidity that would be injected, Abdulkarim said.

The bourse however would make lasting changes in the trading mechanism, she indicated further.

Kuwaiti bourse has recently listed its stocks in the local financial market whereby it became the first bourse to be totally owned by the private sector in the Gulf. The step prompted the shares to soar tenfolds in the first day of trading, September 14.

NEW YORK, Oct 12, (AP) - The final three months of the year, usually a boom time for many small businesses thanks to holiday shopping and celebrations, look precarious as the coronavirus maintains its grip on the economy.

Owners contending with government restrictions or crumbling demand are trying to hold on, with some creating new products and services or desperately searching for new customers. Others, however, have found they're already well equipped to meet the lifestyle changes brought about by the pandemic.

The big corporate and non-profit parties and events that Sophia D'Angelo ran before the virus outbreak have just about vanished. Large in-person gatherings that companies typically use to launch or promote their brands aren't possible because of social distancing requirements.

"The fourth quarter was always the bulk of my business," says D'Angelo, who owns Boston Experiential Group, based in Boston.

D'Angelo has had to get creative. She's using her expertise to arrange small gatherings like holiday-themed dinners and parties at people's homes, usually for no more than 10 guests.

The fourth quarter is a key time for many industries and companies of all sizes. Some retailers typically expect to make as much as half their annual revenue during the holiday shopping season, as do many of their suppliers. Any business connected with holiday parties and celebrations also has high hopes for the October-December period.

But conditions are dicey this year. The coronavirus has devastated many small businesses; it's estimated that hundreds of thousands already have closed forever. Many of the survivors are expected to struggle further during this quarter, especially as cases of the virus surge in some areas of the country. More businesses - restaurants and retailers in particular - will likely go out of business if they cannot bring in the revenue they need.

Restaurants face a difficult time as state and local governments limit the number of people they can serve. The impact of the social distancing can be seen in sales figures - the National Restaurant Association reported that 70% of restaurants suffered a drop in revenue during August from a year earlier.

Ohio's restrictions forced Adam Rammel to at least temporarily aban-



This photo provided by Adam M. Rammel shows the beer garden at The Syndicate on Aug 20, 2020 in Bellefontaine, Ohio. Many restaurants, event planners and even companies like distillers and corporate gift manufacturers face weaker revenues although the holiday season is approaching. Owners contending with government restrictions or crumbling demand are trying to hold on - some are creating new products and services or desperately searching for new customers. (AP)

don plans for a catering and event space designed for parties, in time for the holidays. Rather than have the space sit unused, Rammel turned it into The Syndicate, a restaurant located next door to his 5-year-old brewpub, Brewfontaine.

Rammel, who worried about the future of his Bellefontaine, Ohio, business when he was interviewed by The Associated Press in April, said he's "hanging in there" but still concerned because dining is limited by social distancing. With tables six feet apart, he can serve 65 people at Brewfontaine instead of his full capacity of 100. And he has to stop serving alcohol at 10 p.m., four hours earlier than pre-pandemic. Combined revenue from both restaurants is down more than a third from where Rammel projected it would be.

"I don't think there's any chance to break even with where we expected to be," Rammel says.

Barking Irons, a maker of apple brandies, is heavily dependent on the bars, restaurants and liquor stores of New York City for its business. The company typically makes half its revenue in the fourth quarter.

The city's social life, and economy, remains constrained by the pandemic. Restaurants can have only a quarter of their capacity indoors and there's no bar service. And while outdoor dining will continue indef-

initely, it's hard to predict how many people will be willing to brave the cold - even with a brandy to warm them.

The other side of Barking Irons' business is picking up some slack - the distiller has boosted sales to liquor stores as more people drink at home. Overall sales won't double, as they had every year since the brand launched in 2017, but Ashley Purdum, marketing director for Barking Irons, is hoping to break even.

"If we can just remain even in a time of pandemic, if we can hit our same numbers as last year, we'll be happy," she says.

Business is down sharply during what's normally the busy season for Tower Press, a manufacturer of promotional items like pins and shot glasses. Trade shows and conferences have been canceled, so companies no longer need to order giveaways to hand out to attendees. They're also not buying holiday gifts for customers.

"Many of our clients are small businesses who need to decrease their spending in order to stay afloat," owner Susannah Caviness says. While before the pandemic she might take in a total of \$1,000 in orders in a day, Caviness now often sees less than half that amount.

Caviness, who's based in Atlanta, moved her office to her home and

scrapped plans for a second office in Los Angeles, given the uncertain prospects for the fourth quarter and beyond. She's trying to bring in new business; she's increased her social media marketing budget by 50% and is emailing prospective clients.

The cancellation of weddings, parties, formal dinners and other social events means less need for invitations and other products from Dulles Designs, a creator of upscale printed stationery. But the company has discovered a saving grace.

Owner Emilie Dulles says printed holiday cards that have seemed outdated in recent years are suddenly popular again among individuals as well as businesses. Dulles's customers say the pandemic has made them rethink how they stay in touch. They are sending cards they never bothered with before, like Thanksgiving cards, and some recipient lists can include hundreds or even thousands of names.

"They're trying to connect with people they haven't seen in years," Dulles says.

Dulles believes the shift in fourth-quarter business will help offset the loss of wedding and event business. But she's not rushing to hire her usual contingent of seasonal workers.

"We're going to take a look and see how the next few weeks go," she says.

BoE asks banks on their 'readiness' for neg rates

LONDON, Oct 12, (AP) - The Bank of England has asked commercial banks whether they are ready for negative interest rates, signaling that the central bank is moving closer to cutting its key interest rate below zero.

If the benchmark rate were cut to less than zero, from the current 0.1%, commercial banks would have to pay the Bank of England to hold deposits for them. Policy makers have previously indicated that they were willing to consider negative interest rates amid the economic pressures caused by the COVID-19 pandemic.

A negative interest rate would encourage banks to lend money out rather than leave it at the Bank of England. A negative interest rate could theoretically result in savers being charged to hold deposits in their bank accounts, but commercial considerations, such as the need to attract deposits,

might prevent banks from passing on all their costs to customers. The central bank, in a letter dated Monday, asked the CEOs of commercial banks to provide information on their operational readiness for negative interest rates and challenges presented by such a move.

"For a negative Bank Rate to be effective as a policy tool, the financial sector - as the key transmission mechanism of monetary policy - would need to be operationally ready to implement it in a way that does not adversely affect the safety and soundness of firms," Deputy Governor Sam Woods said in the letter. Although negative rates are unusual, the Bank of England wouldn't be the first central bank to cut rates below zero. The European Central Bank and the Bank of Japan, among others, have cut key interest rates below zero.