

- Vaccination

How much does your Covid-19 vaccine cost?

Or how the pandemic has created instant billionaires

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Covid-19 vaccines could not have been a success were it not for massive government investments in R&D (Research and Development) to the tune of an estimated \$100 billion across all vaccine platforms

While third world countries are scraping the bottom of the barrel to procure vaccines against Covid-19, the so-called Big Pharma which manufacture them are reportedly raking it in as far as revenues are concerned.

At a cost of as low as P29 per dose to manufacture, at least three pharmaceutical firms are projecting to generate P1.6 trillion (\$33.2 billion) in revenues this year from their Covid-19 vaccines alone by selling each dose up to P8,144 (\$170), a study from the Imperial College in London showed.

In a policy brief prepared by Anthony Kamande of charity group Oxfam for The People's Vaccine, an alliance campaigning for global vaccination, he said that a virtually unknown pharmaceutical firm Moderna, and two others, Pfizer and BioNTech, are selling the most expensive Covid-19 vaccines despite data from the Imperial College showing the cost of their production ranges between P29 (\$0.60) and P96 (\$2).

Moderna and BioNTech sell their mRNA vaccines from P647 (\$13.50) to P3,455 (\$74) per course, while Pfizer told investors it offers its vaccines between P7,188 (\$150) and P8,147 (\$170) a dose. Ironically, these pharmaceutical companies received huge public investments from governments.

"The benefits of these Covid-19 vaccines have been privatized, despite the huge public investment without which they would not have happened," Kamande said. "Covid-19 vaccines could not have been a success were it not for massive government investments in R&D (Research and Development) to the tune of an estimated \$100 billion across all vaccine platforms, in addition to years of investments in technology that has benefited the rollout of mRNA vaccines."

Let's take a look at these three pharmaceutical companies.

Moderna

The Cambridge Massachusetts-based biotech company Moderna, up until Covid-19 struck, was a small little-known company that didn't have any manufacturing capacity, save for small batches for clinical trials.

Moderna benefited from the US government investments, both financially and in terms of technology, having received an estimated P275.63 billion (\$5.75 billion) of public money to accelerate its mRNA vaccine development, effectively co-developing the mRNA vaccine with the support of the National Institutes of Health, a US public agency. Now out of loss-making territory, its net income in the first quarter of 2021 to 31 March was P57.52 billion (\$1.2 billion), up from a net loss of P5.94 billion (\$124) million for the same period last year. The company expects to make a total of P920.11 billion (\$19.2) billion in revenue in 2021.

Despite these huge public investments, the Moderna vaccine is one of the costliest, selling at between P1,150 (\$24) and P3,455 (\$74) per course, and has sold 97 percent of its doses to high-income countries. Facing mounting pressure on its unequal vaccine distribution, in early May, Moderna signed an agreement to supply COVAX, a global facility designed to ensure vaccine distribution to poorer countries, at "Moderna's lowest tiered price."

It says it will deliver 34 million in the last quarter of 2021 and the remaining 466 million in 2022. If these COVAX doses are delivered in 2021, the proportion of doses Moderna would have allocated to low- and middle-income countries would still be only five percent this year.

BioNTech

Pfizer-BioNTech's vaccine, 95 percent effective, was the first mRNA vaccine to be approved in the world. The mRNA technology was developed by BioNTech. This success has seen the share price of BioNTech, the little-known biotech company based in Germany until Covid-19 hit, soar and in the process, the company produced a new billionaire in addition to a new vaccine. BioNTech CEO and Founder Ugur Sahin is now a vaccine billionaire. Ugur's net wealth is P191.74 billion (\$4 billion).

He controls 17 percent of the public traded company. Born in 1965 in Turkey but migrated to Germany four years later, Ugur, together with his wife Özlem Türeci, both professors of medicine, had been working on mRNA for 30 years, long before Covid-19 first emerged. In January 2020 when the virus was still unknown to the world and was yet to hit Europe, Ugur used his decades-long expertise on mRNA to design the vaccine candidate which has gone on to become one of the most widely used.

BioNTech received more than half a billion dollars in government loans and grants for Covid-19 vaccine development.

CanSinoBio

The Tianjin-based biotech company CanSinoBio single-shot vaccine for Covid-19, co-developed with the Beijing Institute of Technology, was the first Covid-19 vaccine to be approved in China at the end of February 2021. The vaccine is 65.7 percent effective.

The success has seen the company create three billionaires in the last year. The company co-founder and chief scientific officer Zhu Tao is worth P62.32 billion (\$1.3 billion), while Qiu Dongxu and Mao Huinhua, also cofounders and senior vice presidents in the company are now worth P57.51 billion (\$1.2) and P47.9 billion (\$1 billion) respectively. The CanSino trio enjoy a combined net wealth of P186.9 billion (\$3.5 billion).

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