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## **Vaccine monopolies make cost of vaccinating the world against COVID at least 5 times more expensive than it could be**

The cost of vaccinating the world against COVID-19 could be at least five times cheaper if pharmaceutical companies weren't profiteering from their monopolies on COVID-19 vaccines, campaigners from the People's Vaccine Alliance said today.

New analysis by the Alliance shows that the firms Pfizer/BioNTech and Moderna are charging governments as much as \$41 billion above the estimated cost of production. Colombia, for example, has potentially overpaid by as much as \$375 million for its doses of the Pfizer/BioNTech and Moderna vaccines, in comparison to the estimated cost price.

Despite a rapid rise in COVID cases and deaths across the developing world, Pfizer/BioNTech and Moderna have sold over 90 per cent of their vaccines so far to rich countries, charging up to 24 times the potential cost of production. Last week Pfizer/BioNTech announced it would licence a South African company to fill and package 100 million doses for use in Africa, but this is a drop in the ocean of need. Neither company have agreed to fully transfer vaccine technology and know-how with any capable producers in developing countries, a move that could increase global supply, drive down prices and save millions of lives.

Analysis of production techniques for the leading mRNA type vaccines produced by Pfizer/BioNTech and Moderna – which were only developed thanks to public funding to the tune of \$8.3 billion - suggest these vaccines could be made for as little as \$1.20 a dose. Yet COVAX, the scheme set up to help countries get access to COVID vaccines, has been paying, on average, nearly five times more. COVAX has also struggled to get enough doses and at the speed required, because of the inadequate supply and the fact that rich nations have pushed their way to the front of the queue by willingly paying excessive prices.

Without pharmaceutical monopolies on vaccines restricting supply and driving up prices, the Alliance says the money spent by COVAX to date could have been enough to fully vaccinate every person in Low and Middle-income countries with cost-price vaccines, if there was enough supply. Instead at best COVAX will vaccinate 23 per cent by end of 2021.

The Alliance of nearly 70 organisations, including the African Alliance, Oxfam and UNAIDS, says the failure of some rich countries to back the removal of monopolies and to drive down these excessive prices has directly contributed to vaccine scarcity in poorer nations.

Anna Marriott, Oxfam's Health Policy Manager, said: "Pharmaceutical companies are holding the world to ransom at a time of unprecedented global crisis. This is perhaps one of the most lethal cases of profiteering in history.

"Precious budgets that could be used for building more health facilities in poorer countries are instead being raided by CEOs and shareholders of these all-powerful corporations."



Winnie Byanyima, Executive Director of UNAIDS said: “Health workers are dying on the frontline all over the world every single day. Uganda alone lost more than fifty health workers in just two weeks. A reminder of the time when millions of people were dying of HIV in developing countries because the medicines that could save them were priced too high.

“I see lives being saved in vaccinated countries, even as the Delta variant spreads, and I want the same for developing countries. It is criminal that the majority of humanity is still facing this cruel disease unprotected because Pharma monopolies and super profits are being put first.”

While some rich countries have started to re-distribute a fraction of their excess doses and have made funding commitments, this charity is not enough to fix the global vaccine supply problems. The People’s Vaccine Alliance is calling on all governments to insist that the vaccine technology is transferred – to enable all qualified manufacturers worldwide, especially those in developing countries, to produce these vaccines. Governments should also urgently approve a waiver of intellectual property rules related to COVID-19 technologies as proposed by South Africa and India.

The waiver, which has been supported by over 100 nations including the US and France has now entered formal negotiations at the World Trade Organisation that met again this week. But the proposal has been repeatedly blocked by Germany, the UK and the European Union.

Maaza Seyoum, from the African Alliance and People’s Vaccine Alliance Africa, said: “Enabling developing country manufacturers to produce vaccines is the fastest and surest way to ramp up supply and dramatically drive down prices. When this was done for HIV treatment, we saw prices drop by up to 99 per cent.

“What possible reason then do the governments of the UK, Germany and EU have to ignore the repeated calls from developing countries to break the vaccine monopolies that could drive up production while driving down price?”

Less than one per cent of people in Low Income countries have received a vaccine, while the profits made by the companies has seen the CEOs of Moderna and BioNTech become billionaires.

Before the pandemic, developing countries paid a median price of \$0.80 a dose for all non-COVID vaccines, according to analysis by the World Health Organization (WHO). While all vaccines are different and the new vaccines may not be directly comparable, even one of the cheapest COVID 19 vaccines on the market, Oxford/AstraZeneca, is nearly four times this price; the Johnson and Johnson vaccine is 13 times; and the most expensive vaccines, such as Pfizer/ BioNTech, Moderna and the Chinese produced Sinopharm, are up to 50 times higher.

It is vital that vaccine manufacturers are forced to justify why their vaccines cost more, but open competition is also critical to bring down prices and increase supply. All vaccines, old and new, only come down in price once there are multiple competitors in the market.



Never in history have governments been buying more doses of vaccines for one disease and the large-scale production should drive down costs, enabling companies to charge lower prices. Yet the EU reportedly paid even higher prices for its second order from Pfizer/BioNTech. Dramatic price escalation is predicted to continue in the absence of government action and with the possibility of booster shots being required for years to come. The CEO of Pfizer has suggested potential future prices of as much as \$175 per dose - 148 times more than the potential cost of production. And because pharmaceutical companies anticipate charging such high prices for boosters, they will continue to sell doses to rich countries at the expense of protecting lives globally.

In a briefing note, published today, The People's Vaccine Alliance highlighted examples of how much both developing and wealthier nations have been potentially overpaying:

- Pfizer/ BioNTech are charging their lowest reported price of \$6.75 to the African Union but this is still nearly 6 times more than the estimated potential production cost of this vaccine. One dose of the vaccine costs the same as Uganda spends per citizen on health in a whole year.
- The highest reported price paid for Pfizer/BioNTech vaccines was paid by Israel at \$28 a dose - nearly 24 times the potential production cost.
- The EU may have overpaid for their 1.96 billion Moderna and Pfizer/BioNTech vaccines by as much as €31 billion.
- Moderna has charged countries between 4 and 13 times the potential cost price of the vaccine and reportedly offered South Africa a price between \$30-42 a dose - nearly 15 times higher than the potential production cost.
- Colombia, which has been badly affected by COVID, has been paying double the price paid by the USA for Moderna vaccines. For Moderna and Pfizer/BioNTech combined, the country has potentially overpaid by as much as \$375 million.
- Senegal, a lower-income nation, said it paid around \$4 million for 200,000 doses for Sinopharm vaccines, which equates to around \$20 a dose.
- The UK alone has potentially paid £1.8 billion more than the cost of production for the Pfizer and Moderna vaccines –enough money to pay every worker in its National Health Service a bonus of more than £1000.

Maaza Seyoum said: “As long as the pharmaceutical corporations retain their monopolies on the life-saving technology, they will always prioritise contracts where they can make the most excessive profits, leaving developing countries out in the cold.

“With government budgets in crisis the world over, and COVID cases rising in many developing countries, it’s time to stop subsidising corporate fat cats. It’s time to put people before profits.”

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**To arrange an interview please contact:** [media@peoplesvaccine.org](mailto:media@peoplesvaccine.org)

Notes to editors:

A copy of the briefing note is available here: <https://bit.ly/TheGreatVaccineRobbery>



- Due to lack of transparency of pharmaceutical companies, the exact cost of research and development and manufacturing of vaccines are unknown. Estimates used in this release are based on studies of mRNA production techniques, carried out by Public Citizen with engineers at Imperial College. Their analysis suggests that it could cost \$9.4bn to produce 8bn doses of the Pfizer/BioNTech vaccine - \$1.18 per vaccine and for Moderna it would cost \$22.8bn to produce 8bn doses - \$2.85 per vaccine: <https://www.citizen.org/article/how-to-make-enough-vaccine-for-the-world-in-one-year/>
- The figure that companies have been charging up to 24 times the potential cost of production is based on the reported information that is available. The highest reported cost paid was by Israel. For many countries there is no available data on how much they have paid for these vaccines.
- Pfizer forecasts sales of \$26 billion in revenue for 1.6 billion vaccine doses, therefore at an average cost per dose of \$16.25 (against a potential cost price of \$1.18 per dose). Moderna forecasts sales of between 800 million and 1 billion doses, therefore at an average cost of between \$19.20 and \$24 per dose (against a potential cost price of \$2.85 per dose). The total combined forecasted sales income equates to \$41 billion above the potential cost of production.
- Colombia [is reported to have paid](#) \$12 per dose for 10 million doses of Pfizer/BioNTech and \$29.50 per dose for 10 million doses of Moderna. A potential overspend of \$375 million.
- Vaccine Billionaires data available here: <https://www.oxfam.org/en/press-releases/covid-vaccines-create-9-new-billionaires-combined-wealth-greater-cost-vaccinating>
- Pfizer/ BioNTech and Moderna have received \$8.25 billion dollars in public support for their vaccines between them - \$5.75 billion for Moderna and \$2.5 billion for Pfizer/BioNTech. This includes public funding and guaranteed government pre-orders. <https://www.oxfamamerica.org/explore/research-publications/shot-recovery/>
- COVAX has reported that for its first 1.3 billion doses it paid an average price of \$5.20 a dose. Given available reported prices for the vaccines in COVAX's portfolio it is reasonable to assume COVAX paid less than \$5.20 for the Oxford/AstraZeneca vaccine (reducing the average dose price), and likely paid more for the Pfizer/BioNTech (increasing the average dose price). The schemes' lack of transparency prohibits proper scrutiny.
- Gavi reports COVAX will achieve 23 per cent coverage in AMC populations by end of 2021: <https://www.gavi.org/sites/default/files/covid/covax/COVAX%20Supply%20Forecast.pdf>
- Competition drove down first-line regimen HIV medication prices by 99 per cent over a 10 year period, from \$10,000 to as low as \$67 per patient per year: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3078828/#B67>
- Analysis by the People's Vaccine Alliance has found that just 0.28 per cent of the people in Low Income Countries have received at least a single dose, based on a combined population of 775,710,612, and data from Our World in Data which shows that as of Sunday 2,155,657 had been vaccinated with at least a single dose.
- UNICEF procures existing vaccines on behalf on many low- and middle-income countries. According to analysis in the Lancet they pay a median of 0.80 cents a dose for all vaccines [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)00306-8/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)00306-8/fulltext)
- The Chinese Sinopharm vaccine is being sold for up to \$40 a dose (making it 50 x more expensive than \$0.80): [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)00306-8/fulltext#sec1](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)00306-8/fulltext#sec1)
- The UK is [reported to have paid £15 a dose](#) for the Pfizer vaccine and has ordered 100 million doses. For Moderna they are [reported to have paid £25 per dose](#) and have ordered 17 million doses. If these two vaccines were produced at the production price estimated by



Public Citizen the UK would have saved £1.8 billion, enough to pay every NHS worker a bonus of £1,012 (based on the NHS having [1.5million](#) members of staff in England, [140,000](#) in Scotland, [78,000](#) in Wales and [64,000](#) in Northern Ireland).

- For other examples of how much developing and wealthier nations have been potentially overpaying on vaccines, calculations and references are available in the briefing note here: <https://bit.ly/TheGreatVaccineRobbery>