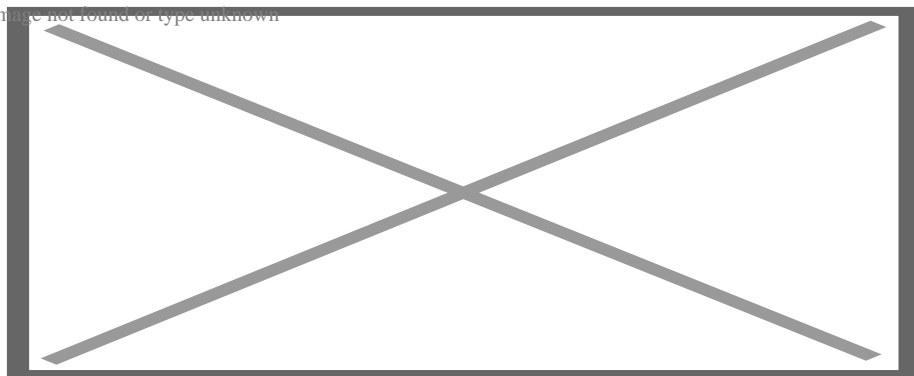


## Vaccines for Profit – That's all the Scamdemic is About

### Description

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It seems that the struggle to find a remedy to deal with coronavirus is being overtaken by geopolitical rivalries and prejudice. Not to mention the commercial interests at stake in a market potentially worth up to \$100 billion.

Another vaccine has entered the race to rid the world of the Covid-19 pandemic, but unlike the US version, when the team behind the British-produced AstraZeneca product announced its successful preliminary trial results, the company's shares plummeted in trading on Monday.

By contrast, US pharma giant Pfizer's earlier announcement, on November 9, saw stock markets around the world (including in Russia) rallying and analysts immediately upgraded their 2021 outlooks with a "back-to-work" optimistic scenario that sees the crisis ending in the second half of next year.

According to [reports](#), the problem with AstraZeneca's drug is that it was [slammed](#) in an investment bank analyst's note that led to a big sell off in the company's shares.

Following the announcement, Jeffrey Porges, an analyst with the American investment bank SVB Leerink, which specializes in medical and pharmaceutical assets, criticized the vaccine, accusing AstraZeneca of embellishing its results, not disclosing any statistics for side effects or severe cases, and failing to include the number of participants at risk and other details in accordance with FDA (Food and Drug Administration) requirements. "We believe this product will never be certified in the US," Porges said.

He separately noted that using adenovirus vaccines (which place the coronavirus DNA inside another virus) against Covid-19 (the Russian Sputnik V uses similar technology) will be unreliable in principle, due to part of the population's immunity to adenoviruses. Porges concluded that the market for adenovirus vaccines will be smaller than that of the rival RNA-formulas (which both US jabs use).

An AstraZeneca spokesman called the criticism "too harsh." According to the company, it is in talks

with the FDA to organize clinical trials on a separate sample in the United States.

## **Commercial competition**

The accusations of shoddy science made against AstraZeneca's vaccine echo similar claims made against Sputnik V after it reported results from its Phase Two trials. Some leading researchers wrote to the British medical journal *The Lancet*, claiming they had found problems with data submitted as part of the peer-reviewed paper by Russia's Gamaleya Institute which suggested the trial results had been fabricated.

The question marks raised over Sputnik V have contributed to it being widely ignored in the Western media as a serious rival to the US vaccines. Indeed, when Pfizer's drug was announced the market popped, but there was almost no market reaction at all to Sputnik V's results when they were published in *The Lancet*, which is one of the most respected medical journals in the world.

It seems that the whole race to find a remedy to deal with what is a global public health emergency has been overtaken by geopolitical rivalries and prejudice. And that is not to mention the commercial interests, which are huge. The coronavirus vaccine market is thought to be worth up to \$100 billion and Russia has said that it hopes to capture a third of that. If that happens, then Russia will earn more in a year from one drug than it currently earns from exporting arms or grain – and it is currently the biggest grain exporter in the world.

There is a lot of money on the table and commercial interests are quickly coming to the fore. A price war has already broken out. AstraZeneca's vaccine appears to be by far the cheapest, selling for \$3-\$4 a dose. Russia's Sputnik V export price is an estimated \$8-\$10 per dose, although presumably it will sell its vaccine on the domestic market at cost, even if the fund has not said so explicitly.

As both these drugs are based on adenovirus vaccine technology, they are more robust, whereas the US rivals rely on RNA-messenger technology that has to be kept extremely cold or it breaks down, causing major logistical problems and greatly increasing costs.

Development of the Russian drug was financed by the Russian Direct Investment Fund (RDIF), the sovereign wealth fund, and is a for-profit venture, but even its higher export price is still a lot less than the cost of the US RNA-vaccine rivals.

Pfizer, which filed for US approval of its formula on November 21, said earlier that a dose of its product will carry a \$19.50 price tag. Moderna, thought to be close to signing a deal for a comprehensive rollout in the European Union, announced last week that it will charge between \$25-\$37. Both are RNA-vaccines and it is not clear if these estimates include the transport costs or not.

It is particularly unfair to rubbish AstraZeneca, as the company has said from the outset that it is a not-for-profit project and will sell its drug at cost in the interests of public health.

The US rival vaccines are produced by commercial companies and intend to grab as large a slice of the up to \$100 billion vaccine market. Russia lies somewhere in the middle. AstraZeneca last summer struck a deal on joint production with Russian businessman Alexey Repik's R-Pharm company to produce its vaccine in Russia. Its licensing deal allows for global distribution but bars distribution in Russia and the Commonwealth of Independent States (CIS) – Sputnik V's core market. Over 50

countries have already signed pre-order deals for Sputnik V, including Hungary and Poland in the EU. Turkey is negotiating to make Sputnik V under licence.

### **We should be happy**

Let's be clear about a few things here. Firstly, we should welcome the fact that there are now four reportedly viable competing vaccines (five if you count the fact Russia has talked about a second vaccine, developed in Siberia, which has just started trials). That gives everyone a choice between the rival products. Don't trust the Sputnik V? Fine. Take one of the others.

Secondly, we should celebrate the fact that this virus looks particularly vulnerable to treatment. All of the leading candidates report extremely high efficacy rates.

The US FDA demands an efficacy rate of at least 50 percent to register a vaccine for general release. The EU sets the bar higher at 75 percent. All the current corona-candidates have reported efficacies of at least 90 percent; even the Oxford vaccine reported over 90 percent when the second half of the trial group were given a smaller dose in the second jab. The reported final 70 percent result is an average of the two sets of trials.

Thirdly, being generous, there are some question marks over the data from both AstraZeneca and Sputnik V, but against that, both teams have conducted the full trial – with over 40,000 volunteers in Sputnik's case, or roughly the same number of participants as in the Pfizer trial.

Moreover, all the trials are reporting the same efficacy rates of approximately 90 percent, meaning both technologies seem to work equally effectively. Excluding the possibility that the Russian researchers are flat out making up their results (which many will chose not to do), then the trials all show that the vaccines are similarly effective, even if they have been sloppy in their reporting in their haste to lay a claim to part of that \$100 billion market.

One of Porges' objections was that the AstraZeneca results do not disclose any statistics for side effects or severe cases, but the same can be said of all the candidates, including the US vaccines. The trials are only that – trials. The potential for malign side effects will only become clear over time. In the meantime, the sample sizes in the trials to date have been deemed sufficiently large by medical experts and both Pfizer and Sputnik V have opted for 40,000 people. Neither of these trials have thrown up significant problems. The AstraZeneca tests were halted for a month after one subject developed neurological problems, but an investigation determined the problem was unrelated to the vaccine and the process resumed.

Fourthly, and most impressively, we should be amazed that in the space of ten months that we have any vaccine at all. Vaccines are extremely hard to produce. There are multiple hurdles to overcome, and we have to bear in mind the fact that all viruses mutate as that is a basic part of their survival strategy. Normally, it takes about 18 to 24 months to produce an effective vaccine. The annual autumnal flu vaccine doesn't have a 90 percent efficacy rate and five years on there is still no effective formula against H1N1 (bird flu), SARS (severe acute respiratory syndrome) or MERS (Middle East respiratory syndrome) – all of which belong to the coronavirus family.

There have been calls for governments to step in and buy up sufficient vaccines to inoculate the whole world, as this would be the cheapest solution to the economic damage caused by the pandemic.

Several years ago, the WHO did a study that found the most productive investment a government can make into its economy is into healthcare.

The benefits are not just from reducing the cost of treating sick people – although those are significant – but mostly from the fact that by far the more productive wealth creation asset a country has is its people. Good healthcare means people work harder for longer and so they produce far more wealth than is spent on improving healthcare. And people who are still alive can obviously work even harder than those that have died from coronavirus.