

Double jeopardy: Poorer countries hit with higher price tag for Oxford/AstraZeneca vaccine

Thursday 25 February 2021, by [FURLONG Ashleigh](#), [PAUN Carmen](#) (Date first published: 22 February 2021).

Bangladesh, South Africa and Uganda all appear set to pay more for the vaccine than the EU.

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Developing countries have found themselves in double jeopardy as they try to procure coronavirus vaccines: Not only are they having a hard time securing jabs as richer countries snap up production, but some are paying more as well.

[A fresh analysis](#) from the ONE Campaign indicates that the richest nations are on track to end up with over one billion excess doses. Such numbers have prompted World Health Organization Director General Tedros Adhanom Ghebreyesus to warn that small countries could “miss out on vaccines because they have less bargaining power than big countries.”

Example A: The Oxford/AstraZeneca shot, meant to be the [world’s saving grace](#). One of the first jabs on the market, it’s easy to transport and is being offered by the drugmaker at cost during the pandemic and at no profit in perpetuity for low-income countries.

On the ground, however, publicly available figures reveal wealthy nations’ increased bargaining power — even during a global health crisis.

Bangladesh, according to [Reuters](#), is reportedly paying an average of \$4 per dose via the [Serum Institute of India](#) — which is producing hundreds of millions of doses of the Oxford/AstraZeneca vaccine — rather than the \$3.50 that 27 European Union countries are charged for doses produced directly by the company. The [BBC](#) has quoted the health ministry’s director general putting the total cost even higher, at \$5, when taking the extra \$1 per dose charged by [Beximco, the vaccine’s Bangladeshi distributor](#), into account.

Meanwhile, South Africa [handed over \\$5.25 per dose from the Serum Institute](#), same as the richer Saudi Arabia, according to [UNICEF’s COVID-19 Vaccine Market Dashboard](#), which collects publicly reported price information.

The U.S. is paying less than South Africa, [around \\$4](#), directly to AstraZeneca. Brazil is [paying \\$3.16 per dose](#) via another producer, Fiocruz.

It’s not just the Oxford/AstraZeneca vaccine. Reported prices of BioNTech/Pfizer, Moderna and

Sinovac jabs also indicate discrepancies.

But the only other jab with a WHO emergency use listing is one from BioNTech/Pfizer, an mRNA vaccine that requires an ultra-cold chain. Its prices range from \$6.75 per dose for African Union countries to \$14.70 in the EU to \$19.50 in the U.S.

Alongside Johnson & Johnson's vaccine, then, Oxford/AstraZeneca's was expected to realistically be the go-to choice for the developing world due to its straightforward supply chains compared to their mRNA counterparts, not to mention affordability.

The involvement of the Serum Institute, which made a name for itself producing large quantities of affordable drugs and vaccines for poorer countries, initially created expectations that the price of coronavirus vaccines would be driven down. Many of the relatively higher prices, however, are for Oxford/AstraZeneca vaccines that the Indian manufacturer is producing.

Pricing muddle

AstraZeneca declined to provide POLITICO with much detail on the sensitive issue of pricing strategies.

"The price of the vaccine will differ due to a number of factors, including the cost of manufacturing — which varies depending on the geographic region — and volumes requested by the countries," said an AstraZeneca spokesperson.

Those buying greater volumes should typically get a discount in price, a trade-off seen in the EU deal, which fixes the \$3.50 price for an initial 300 million doses. But this doesn't explain why the U.S. is paying more per dose for its own 300 million doses.

The Serum Institute of India had no comment at all on pricing.

A company spokesperson did respond, however, to reports that Uganda is set to pay \$7 per dose from the Serum Institute. Those are incorrect, the spokesperson said, and no deal has been signed yet.

Driwale Alfred, who heads Uganda's immunization program, told POLITICO that the \$7 price tag was used as a planning figure, and the likely price per dose would be around \$4. Ugandan medical procurement officials are still negotiating with the Serum Institute, he said.

Even so, that's more than what the EU and Brazil are paying.

Cost of business

French President Emmanuel Macron has criticized price disparities, telling the [Financial Times](#) that African nations are sometimes buying vaccines, like AstraZeneca's, at "astronomical prices" — two or three times the price paid by the EU. He shifted the blame away from AstraZeneca, however telling the publication that pricing is a problem originating with sales by intermediaries.

South African Deputy Director General Anban Pillay offered a different account in [Business Day](#), citing the Serum Institute's reasoning that South Africa is formally classified as a middle-income country. ([Its GDP per capita](#), which is less than \$13,000 a year adjusted for purchasing power parity, puts it roughly in the middle of global rankings, but it's still less than half the income of the poorest EU countries, such as Romania.)

As to why wealthier countries pay less, Pillay said it's because they invested in vaccines' research and development.

Such a reason is partially reflected in early contributions to the development of the Oxford/AstraZeneca vaccine, but doesn't fully explain disparities.

Last May, for example, the U.S. Biomedical Advanced Research and Development Authority announced over \$1 billion in funding for the vaccine's development — but that didn't stop the U.S. from paying more. This may stem from the fact that the U.S. traditionally pays more for drugs than the EU, and it seems coronavirus vaccines are no exception.

By contrast, the EU didn't invest in the development of the vaccine per se. The Oxford University institute that developed the jab, however, has been [heavily reliant on EU funding](#) in the past.

Drug pricing disparities aren't a new phenomenon.

"There are no global rules or norms governing vaccine pricing, no guarantees that a vaccine will be priced at an affordable level or in a fair way," said Suerie Moon, co-director of the Global Health Centre at the Graduate Institute Geneva. "It's not unusual for middle-income countries to pay more than high-income countries."

There can be "reasonable" commercial factors at play here, said Moon, such as manufacturing costs, smaller orders or less attractive terms of payment. Reduced negotiating power due to population size or a country's wealth are also factors that can be thrown into the mix.

Ultimately, vaccine deals' lack of transparency makes it difficult to understand exactly why poorer countries are paying more, says David Fidler, an adjunct senior fellow for cybersecurity and global health at the Council on Foreign Relations in the U.S.

"We can't sort of look at the big picture and say: 'Here's the bottleneck,'" he said. That creates "even more skepticism that the world has any idea what solidarity means in connection to equitable access to vaccines in connection with [COVID-19]."

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Additional reporting by Jillian Deutsch.

P.S.

• Politico. February 22, 2021 7:16 pm :
<https://www.politico.eu/article/astrazeneca-vaccine-cost-higher-in-poorer-countries-coronavirus/>

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