

The business of vaccines

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Given the current economic climate, the sight of countries trying to outbid each other in their generosity to pledge money for vaccines at the first ever GAVI ([Global Alliance for Vaccines and Immunisation](#)) “pledging” conference in London on 13th June is encouraging if not unique. The UK Prime Minister David Cameron and Andrew Mitchell, UK Secretary of State for International Development Secretary were fulsome in their praise of the work of GAVI and the importance of vaccines. [David Cameron said](#): “GAVI was one of the very top performers in our root-and-branch review of the agencies that deliver British aid because it demonstrates tangible results,” and [Andrew Mitchell said](#): “Vaccinations are proof positive that well spent aid saves lives,” –further proof, if any more was needed, that the era of results based financing, social investment, and favourable figures (“[vaccine summit saves 4 million lives in 4 hours](#)”) is well and truly here.

Therefore, it seems surprising that business-minded donors would choose to pay for vaccines that are [at least double the cost](#) of generic versions and are also overly optimistic about the potential of their investments.

For example, [India’s Serum Institute](#) have said they could sell similar pneumococcal vaccine products for US\$2 (£1.25) a dose – a 40 percent reduction on the price of Pfizer and GlaxoSmithkline, who currently supply vaccines to GAVI. [According to MSF](#), “manufacturers in India match the quality standards of the Big Pharma companies and sell their vaccines at a fraction of the price.” Furthermore, [in March this year](#), the Chinese regulatory authority, which approves the quality of Chinese vaccines, was validated by the World Health Organization meaning that low-cost good quality vaccines produced in China can now be approved for purchase by UNICEF, GAVI and others to serve the global marketplace.

As for being overly optimistic, speaking at the close of the GAVI pledging conference [Andrew Mitchell said](#):, “In just four hours today we have given a mother in Kinshasa the chance to see her child reach her fifth birthday, allowed a child in Juba to attend school for the first time, and given a nurse in Dakar the power to protect a child forever, not treat them as they die.” Not true. Vaccines are not a panacea for every ill, including undernutrition and every infectious disease and it is dangerous for donors to assume that increasing vaccination is the solution to child mortality. For example, rotavirus vaccine cannot prevent diarrhoea. In immunised children, this vaccine can help to prevent diarrhea caused by rotavirus, but this virus is just one of the many organisms that can cause diarrheal illnesses. The only effective and sustainable way to reduce the burden of diarrhea is to increase access to clean water and improved sanitation. [The estimated \\$10 billion annual cost](#) to halve the proportion of people without basic sanitation by 2015 (this is the sanitation MDG 7 target) is modest and affordable.

Which brings us to another business lesson—opportunity costs. Who knows what important health intervention is not being funded because of the large diversion of investment into vaccines at a unit cost that is higher than necessary. Of course vaccines clearly have an important role in reducing child mortality, but a sustainable reduction in child deaths worldwide can only be achieved if all potential solutions are addressed, not just the quick fixes. Donors, please take note.

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