

Pfizer sells key vaccine cheaply to poor countries

July 29 2013, by Linda A. Johnson

Drugmaker Pfizer Inc. has agreed to provide hundreds of millions of doses of its lucrative vaccine against pneumonia and meningitis at a fraction of the usual price for young children in poor countries.

The deal to provide 260 million shots of its Prevnar 13 vaccine for a few dollars each is Pfizer's third agreement under an innovative program through which [pharmaceutical companies](#), governments, health groups and charities collaborate to bring [poor countries](#) a long-term supply of affordable vaccines against [deadly diseases](#).

Prevnar 13, called Prevenar outside the U.S., protects against 13 strains of pneumococcal disease. The [bacterial disease](#) can cause painful [ear infections](#) common in young children and serious infections that can kill or leave survivors deaf, paralyzed or with permanent learning or speech disabilities. Those diseases include pneumonia, [bloodstream infections](#) and [meningitis](#), an infection of tissue around the brain and spinal cord.

Pneumococcal disease kills more than 1.6 million people annually, half under age 5 and nearly all of them in poor countries, according to the World Health Organization.

One Prevnar dose costs nearly \$130 in the U.S.—unaffordable in much of Africa, Asia and Latin America. In fact, most new Western vaccines don't reach poor countries for 10 to 15 years.

To change that, four years ago several countries and the Bill & Melinda

Gates Foundation together donated \$1.5 billion to develop a tactic that could provide the needed vaccines. An additional \$1.3 billion was pledged by a public-private partnership called GAVI, formerly the Global Alliance for Vaccines and Immunization, whose members include UNICEF, WHO and the World Bank.

The money was used to start a pilot program that would guarantee steady, high-volume demand for vaccine makers who agree to sell their vaccines for \$3.50 each or less to poor countries. Experts picked pneumococcal vaccines as the first project.

The program also aims to increase vaccine production capacity and encourage companies to develop vaccines for diseases common in the poorest countries. Existing vaccines such as Prevnar must be tweaked to cover disease strains common in poor countries.

Prevnar was launched in Western countries in 2009. Pfizer made the first supply agreement for it under the program in 2010, and a second one in 2011. Those deals, running through 2023, covered 480 million doses.

The alliance has estimated the pneumococcal vaccines could save up to 1.5 million lives by 2020.

"More than 10 million children have been reached with GAVI-supported pneumococcal vaccines in 29 countries since 2010. We expect to reach children in more than 50 countries with this lifesaving vaccine by 2015," Dr. Seth Berkley, CEO of the GAVI Alliance, said in a statement, adding that the goal is to make the program sustainable in the long term, partly by securing very low vaccine prices.

The latest deal gives Pfizer \$3.40 a dose for Prevnar this year, then \$3.30 per dose through 2025. For about the first 20 percent of doses,

Pfizer gets an extra \$3.50, from the \$2.8 billion pledged by the charities and wealthy governments.

"Strong vaccination programs are a cornerstone of economic development—a simple intervention that has dramatic short- and long-term impact on health," Susan Silbermann, Pfizer's president of vaccines, said in a statement.

New York-based Pfizer is the world's second-biggest drugmaker, selling medicines including Viagra and pain relievers Lyrica and Celebrex. Prevnar is the top-selling vaccine ever, with annual sales just over \$4 billion.

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