Influenza Vaccine Production

Unique and specific opportunities for developing country manufacturers

How can the "value" created be "costed"?

World Health Organization
Towards innovative business models

- With excess global seasonal capacity, and economy of scale, small-scale influenza vaccine manufacturers cannot compete with multinationals on a pure cost-of-vaccine model.

- The business models need to take into consideration specific added-value created, and where these advantages can overcome the market challenges.
Examples - 1

- **SII, India:**
  - Cost of production (LAIV) likely to be lower than what is available on the international market
  - High-volume producer
  - Supplier to UN-agencies and GAVI (through PQ)
  - "Unique" product (LAIV, nasal application)

- **Biofarma, Indonesia**
  - Government prioritizes local producers for domestic market
  - Potential for supply to UN-agencies (through PQ)
  - Specific needs of the domestic markets – pilgrims, halal vaccines, ASEAN
Examples - 2

- **GPO, Thailand**
  - Government investment into national security, in addition to public health (what's the societal value of a submarine???)
  - Policies in place to increase local seasonal vaccine utilization
  - Unique model: development of dual production technologies (IIV and LAIV) to ensure surge capacity in case of pandemic and to serve different populations

- **IVAC, Vietnam**
  - Government procures from domestic manufacturers
  - Policy to deploy for H5N1 vaccines for risk groups
  - Government decision to engage producer(s) into veterinary vaccine production

Niche market for H5N1.
Examples - 3

- **Torlak, Serbia**
  - Government commitment to procure national needs from local producer (protected market)
  - Bosnia-Herzegovina, Macedonia, Montenegro - Historical marketing link, existing 'preferred supplier status'

- **BioVac, South Africa**
  - Partnership with multinational for Southern-hemisphere vaccine
  - Regional market
  - Government decision to engage into production of pharmaceutical products
Examples - 4

- **Butantan Institute, Brazil**
  - Government long-term policy to procure domestically
  - Capacity tailored to domestic needs (> guaranteed market)

- **Birmex, Mexico**
  - Partnership with multinational for local production
  - National established market; high vaccination coverage (guaranteed market)
  - Legal agreement on pandemic vaccine access

- **Vacsera, Egypt**
  - Only regional bulk producer > could attract strategic investments (e.g. AfDB, OIC)
Examples - 5

- **Green Cross, Republic of Korea**
  - High-volume producer > could sell at competitive price
  - High vaccine coverage in the country
  - Prequalified vaccine (>access to UN-procurement)

- **RIBSP, Kazakhstan**
  - Government commitment to invest
  - Regional market

- **BCHT, China**
  - Differentiated product (LAIV)
  - Enormous domestic market potential
Value exchanges between involved stakeholders

Region
- UN-procurers
- Civil society
- Local population
- Other?

National Govt: MoH, MoF, MoD?

Developing Country Influenza Vaccine producer
- Guaranteed supply of pandemic vaccine
- Product tailored to societal needs
- Regional influence
- Different product (LAIV)
- Jobs
- Scientific development
- Industrial development
- Health/National security
- Loans for capital investment
- Preferred supplier
- Guaranteed purchase
- $$$ / ££££

Local population

UN-procurers