



## PRESS RELEASE

**+++EMBARGO 18 November 0.01 GMT+++**

### **GAVI's impact on vaccine market is bringing down prices**

***Four million deaths averted through boost for immunisation over last 10 years***

**HANOI, 18 November 2009** – Following the increasing impact of the GAVI Alliance on the vaccine market, the price of one of the major combination vaccines, the pentavalent, is falling considerably, enabling GAVI's partners to vaccinate millions of more children in the developing world.

News of the unprecedented progress was announced in Hanoi, Vietnam just before the GAVI Partners' Forum, which unites some 400 participants from all over the world including ministers of health, donors, civil society and industry representatives, researchers and development experts.

"This is the GAVI effect at work: encouraging and pooling growing demand from countries, attracting new manufacturers and increasing competition to drive down prices," said GAVI CEO Julian Lob-Levyt. "The price drop has come later than we had hoped and it needs to fall further. But this is a clear indication that our market-shaping efforts work."

Dr Lob-Levyt stated that pentavalent is projected to be GAVI's single biggest expenditure through to 2015, accounting for some 40% of vaccine spending. "Its price, and those of other GAVI vaccines, is the major determinant of the future support that the GAVI Alliance will be able to provide to countries."

The majority of vaccines financed through GAVI is purchased by Alliance member UNICEF. A recent tender for pentavalent vaccine has shown a significant price drop with the weighted average price for 2010 falling below US\$ 3, a decrease of almost 50 cents per dose on the 2009 price. This will create approximately US\$ 55 million in savings in 2010 and enable GAVI to finance the immunisation of 6.3 million more children.

Data presented by Ibrahim El-Ziq, Chief of the Immunization Center at UNICEF's Supply Division, indicated that by 2010 his agency expects to pay US\$ 2.94 per dose for pentavalent vaccine. It is widely considered the gold standard for childhood immunisation because it delivers protection against five diseases: Hib (*Haemophilus influenzae* type b), diphtheria, pertussis, tetanus and hepatitis B. As recently as 2004, the vaccine cost US\$ 3.65 per dose. Dr El-Ziq said the price is expected to decline even further, to US\$ 2.83 per dose by 2012, for a total reduction of 22% over an eight-year period.

"This price drop is no accident, but rather the result of a strategy to leverage the purchasing power of hundreds of millions of people," said UNICEF Deputy Executive

Director Saad Houry. “Clearly, industry understands and responds to a market, regardless of whether that market is in poor or rich countries. The Alliance’s model is beginning to work, and we are optimistic that the trend will continue, as competition and demand increase over time.”

GAVI’s business model is based on the expectation that rising demand for immunisation in developing countries induces more companies to produce vaccines, thus creating competition and driving prices down. Through the new data, success becomes evident. Whereas in 2001, there was only one company producing the pentavalent vaccine, now there are four. Two are Indian companies, whose products came on the market in 2008. Today, 50% of the vaccines funded by GAVI are from developing country manufacturers.

Health experts believe the effect of lower prices for pentavalent vaccine could extend beyond the core beneficiaries of GAVI assistance, which are the world’s 72 poorest countries. For example, many middle-income countries are viewed as more likely to adopt the pentavalent vaccine now that its price is headed below US\$ 3 for the poorest countries.

“There are two ways to increase the number of children we can reach with life-saving vaccines,” Dr Lob-Levyt said. “First, we can raise more funds. Secondly we can push to bring vaccine prices down further. Considering the current economic climate and the difficult funding decisions that donors will have to make, I hope the vaccine industry will do their part to ensure that we can get prices down faster.”

#### **Over 250 million children vaccinated – four million deaths averted**

New data, released by the Alliance today, shows that by the end of 2009 more than four million premature deaths caused by pertussis, *Haemophilus influenzae* type b (Hib) and hepatitis B will be prevented through GAVI support.

“We have now vaccinated 256 million children in the poorest countries through GAVI support. The number of deaths averted as a result vindicates the decision we made ten years ago to create a unified effort to speed new and underused vaccines to the world’s most vulnerable children,” said Daisy Mafubelu, Assistant Director-General for Family and Community Health at the World Health Organization. “The challenge we face, particularly in the midst of the financial crisis, is to maintain and extend our gains with basic vaccines while ensuring that new life-saving innovations are made widely available in the developing world—especially new vaccines against pneumococcus and rotavirus, the leading causes of pneumonia and diarrhoea mortality respectively.”

At the Hanoi meeting, GAVI Board Chair Mary Robinson noted that progress in immunisation coverage and price decline must be tempered by the fact that more than 20 million children in the world today continue to go without basic life-saving vaccines.

“Our Alliance is not providing charity but rather securing a basic human right, which is the right to equal access to basic standards of health,” said the former UN High Commissioner for Human Rights, noting that this week the world is celebrating the 20<sup>th</sup> anniversary of the Convention on the Rights of the Child. “It is time to recognise that the availability of life-saving vaccines for children worldwide, regardless of where they live, is not a luxury but a fundamental right.”

# # #

**The GAVI Alliance** is a Geneva-based public-private partnership aimed at improving health in the world's poorest countries. The Alliance brings together developing country and donor governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry in both industrialised and developing countries, research and technical agencies, NGOs, the Bill & Melinda Gates Foundation and other private philanthropists. GAVI support consists of providing life-saving vaccines and strengthening health systems. Since 2000, 256 million children have been vaccinated and close to four million premature deaths averted thanks to GAVI-funded programmes.

For more information, please visit: [www.gavialliance.org](http://www.gavialliance.org);  
[www.eurekalert.org/GAVIAlliance](http://www.eurekalert.org/GAVIAlliance)

Media contacts:

Jeffrey Rowland  
GAVI Alliance  
+ 41 79 240 45 59 mobile  
**+84 1222337698 (Vietnam)**  
[jrowland@gavialliance.org](mailto:jrowland@gavialliance.org)

Ariane Leroy  
GAVI Alliance  
+41 22 909 6521 office  
+41 79 340 1878 mobile  
[aleroy@gavialliance.org](mailto:aleroy@gavialliance.org)

Dan Thomas  
GAVI Alliance  
+41 79 251 8581 mobile  
**+84 1265255950 (Vietnam)**  
[dthomas@gavialliance.org](mailto:dthomas@gavialliance.org)

Kerstin Reisdorf  
GAVI Alliance  
+41 22 909 2920 office  
+41 79 250 23 98 mobile  
[kreisdorf@gavialliance.org](mailto:kreisdorf@gavialliance.org)

Joan Howe  
UNICEF  
+45 35 27 32 54 office  
+45 29 65 71 94 mobile  
[jhowe@unicef.org](mailto:jhowe@unicef.org)

**Photo and video requests:**

Sandra Scolari  
GAVI Alliance  
+41 22 909 6528  
+41 79 251 8583  
[sscolari@gavialliance.org](mailto:sscolari@gavialliance.org)

B-roll: download at <http://www.rockhopper.tv/gavi/downloads.aspx>

Photos download at <http://sharepoint-ext.gavialliance.org/mediasharefiles/default.aspx>  
Username: Vaccine-DC\gaviphoto  
Password: Gavi2009