

News Release

Authoritative New Study Reveals Global Pandemic Influenza Vaccine Capacity

Geneva & Chicago, 23 February 2009 – Vaccine manufacturers have substantially increased their capacity to produce pandemic influenza vaccines during the past two years, according to a new study by Oliver Wyman, an international strategy consulting firm. Importantly, this study arrived at capacity estimate numbers that the global health community agrees upon, after considerable prior debate.

Conducted in collaboration with the World Health Organization (WHO) and The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA)¹, the new study finds that while capacity is increasing, it would not be sufficient to meet the global need for emergency production of pandemic influenza vaccines at the time of a pandemic. However, the study notes that current and future surplus capacity could support the production of billions of doses of H5N1 influenza vaccine prior to a pandemic for stockpiling efforts and other utilization.

“We found that considerable progress has been made to enhance the production capacity of pandemic influenza vaccine,” said Adam Sabow, partner at Oliver Wyman who led the study. “While capacity still falls short of global need during a pandemic, the surplus capacity during the inter-pandemic period creates opportunities for preparedness efforts. For example, we are working with the WHO to design a global H5N1 vaccine stockpile. If demand does not exist to utilize this excess capacity, however, manufacturers are likely to rationalize some of it, creating further shortages at the time of a pandemic.”

IFPMA Director General Alicia D. Greenidge said, “This study advances our understanding of the world’s ability to address pandemic influenza, and demonstrates the progress made by our member companies in developing new vaccine technologies and expanding production facilities. Our member companies are committed to working with the WHO and countries to ensure that we make the best use of the surplus capacity to prepare for a pandemic. The findings suggest that the early use of stockpiled H5N1-based vaccines, followed by pandemic vaccines as soon as these become available, offers a realistic strategy to address this significant threat.”

The new Oliver Wyman study provides a number of further insights:

- Pandemic influenza vaccine production capacity has increased by 300 percent over the last two years, largely driven by improvements in production yields and dosage-sparing technologies.
- With current technology, doses of vaccine tailored to the actual pandemic influenza strain will not be available until four months after identification of that strain by the WHO due to the technical lead time required to adapt the strain for vaccine production, manufacture vaccine, and distribute product.
- In the base (most likely) case², manufacturers could produce 2.5 billion doses of pandemic vaccine in the 12 months following receipt of the production strain, requiring 4 years to satisfy global demand. In the best case, 7.7 billion doses could be produced in the first 12 months, requiring 1 ½ years to satisfy global demand.
- This capacity is expected to rise to 5 - 14.5 billion doses over the next five years. The resulting time to meet global demand would be reduced to between 2½ years (in the base case) and 1 year (in the best case).

- Surplus capacity (above current seasonal influenza and stockpile demand) currently exists to produce 2.5 billion annual doses of H5N1 vaccine prior to a pandemic. This surplus capacity is expected to rise to between 2.6 and 5.4 billion doses per year over the next 5 years.

Oliver Wyman initiated this study in 2008 in cooperation with the WHO and the IFPMA, with funding from the Bill & Melinda Gates Foundation.

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¹ Oliver Wyman also consulted with 11 other current or potential influenza vaccine manufacturers in developing countries which are not members of the IFPMA.

² The “base” and “best” cases are based on different assumptions relating to a number of factors, including the level of demand for seasonal influenza and H5N1 vaccine in the inter-pandemic period, the yields that can be attained, the level of antigen-sparing achievable and the degree of rationalization of traditional egg-based vaccine production capacity as new cell-based capacity comes on line. In both cases, effective coverage is calculated based on 2 doses per person, for a global population of 6.7 billion.

About Oliver Wyman

With more than 2,900 professionals in over 40 cities around the globe, Oliver Wyman is an international management consulting firm that combines deep industry knowledge with specialized expertise in strategy, operations, risk management, organizational transformation, and leadership development. The firm helps clients optimize their businesses, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is part of Marsh & McLennan Companies [NYSE: MMC]. For more information, visit www.oliverwyman.com.

Oliver Wyman's Health & Life Sciences practice serves clients in the global health, pharmaceutical, biotechnology, medical devices, and payer sectors with strategic, operational, and organizational advice. Deep healthcare knowledge and capabilities allow the practice to deliver fact-based solutions. For more information on Oliver Wyman's global health work, contact Adam Sabow at adam.sabow@oliverwyman.com.

About the IFPMA:

The International Federation of Pharmaceutical Manufacturers & Associations is the global non-profit NGO representing the research-based pharmaceutical, biotech and vaccine sectors. Its members comprise 26 leading international companies and 44 national and regional industry associations covering developed and developing countries. The industry's R&D pipeline contains hundreds of new medicines and vaccines being developed to address global disease threats, including cancer, heart disease, HIV/AIDS and malaria. The IFPMA Clinical Trials Portal (www.ifpma.org/ClinicalTrials), the IFPMA's Ethical Promotion online resource (www.ifpma.org/EthicalPromotion/) and its Developing World Health Partnerships information (www.ifpma.org/HealthPartnerships/) help make the industry's activities more transparent. The IFPMA strengthens patient safety by improving risk assessment of medicines and combating their counterfeiting. It also provides the secretariat for the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH).

About the IFPMA Influenza Vaccine Supply International Task Force:

The International Federation of Pharmaceutical Manufacturers & Associations (IFPMA) Influenza Vaccine Supply International Task Force (IPMA IVS), established in February 2002, is made up of representatives from the 16 research-based influenza vaccine manufacturers that produce most of the world's seasonal influenza vaccines. Task force members also conduct the R&D necessary to develop safe, effective, high-quality vaccines to protect against the threat of seasonal and pandemic influenza. The IFPMA IVS provides its expertise in R&D, logistics and manufacturing to help governmental and intergovernmental bodies in pandemic planning and decision-making. IFPMA IVS members are: Baxter, Crucell, Biken, CSL Limited, Denka Seiken, GlaxoSmithKline Biologicals (including former ID Biomedical), Kaketsuken, Kitasato Institute, MedImmune (AstraZeneca), Nabilon (Schering-Plough), Novartis Vaccines and Diagnostics, Pfizer, sanofi pasteur, Sanofi Pasteur MSD, Sinovac and Solvay Pharmaceuticals.

For more information, please see www.ifpma.org/influenza.

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