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Covid-19 Delta outbreak: Chinese billionaire's bet on Pfizer vaccine backfires as his personal wealth plummets

15 Dec, 2021 03:58 AM

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One of China's richest men Guo Guangchang. Photo / Getty Images

news.com.au

By Alex Blair

A Chinese billionaire has been dealt a massive blow following a significant Covid-19 investment involving one of the world's most prominent vaccine developers.

As the pandemic swept through the world and campaigns for widespread vaccination grew, pharmaceutical boss Guo Guangchang struck a deal with Germany's BioNTech SE, which partnered with Pfizer to produce one of the world's most widely distributed vaccines.

The agreement, inked almost a year ago to the tune of NZ\$207 million, secured 100 million doses of mRNA shot for distribution in mainland China.

The deal would see Guangchang's company Fosun Pharma at the forefront of inoculating a big portion of world's largest population during the peak demand period for vaccines.

Only there's been one small problem – the Chinese government is yet to approve the Pfizer jab for use.

Opinions on why the Communist state has rejected approving the jab differ wildly. According to Bloomberg analysts, it is "hard to tell when, if ever, the Pfizer-BioNTech vaccine will be approved for mainland China".

Regulators are still yet to publicly reveal a single reason for its rejection.

Official figures say more than a billion people in China have been vaccinated with state-approved shots made by Sinovac Ltd and Sinopharm Group.

Zhao Bing, a senior healthcare research analyst at China Renaissance Securities HK Ltd, says the issue over Pfizer getting the green light is "a political issue, rather than an economic or biological one".

Zhao asserts that the domestic competition in China, coupled with the fact over two thirds of its population had already received a dose, means the likelihood for the jab to be financially successful – even if it is eventually approved – is slim.

"How much market share can Fosun grab?" he said.

"I don't know, but it's certainly not looking optimistic.

"It will end up with a far smaller space in the market if the domestic mRNA vaccine is approved first-hand."

President of the European Union Chamber of Commerce in China, Joerg Wuttke, said the delay for BioNTech reaching hospitals "is a huge mystery".

Guangchang, who was in 2019 declared China's 50th richest man and is often referred to as the "Chinese Warren Buffett", has taken a massive financial hit since striking the deal.

Fosun Pharma is trading shares more than 40 per cent below its August high, while his own net worth has plummeted well over a billion dollars to NZD\$5.17 billion from a previous 2021 peak of NZD\$6.8 billion.

Guangchang's company also agreed to invest \$148 million in a joint venture with BioNTech to manufacture the vaccine in a specialised plant in China. The deal was expected to churn out a billion doses of the shot each year upon approval.

Analysts claim the government is reluctant to green-light a foreign vaccine due to fear of showing a lack of faith in its own homegrown technology. Beijing's reported concern could also be interpreted by nationalists as an acknowledgment that Chinese made vaccines are less effective than ones provided by the West.

"China doesn't have an mRNA vaccine right now. When it does, it'd better be a domestic one, so that it shows the country is just as capable of pulling it off," senior healthcare analyst at Bloomberg Intelligence Mia He said in August.

That now appears to be on the cards for Beijing. New reports show China is fast-tracking the development of its first homegrown mRNA Covid-19 vaccine for approval.

The Walvax jab, which is being co-developed with Suzhou Abogen Biosciences Co in tandem with the Chinese military, is reportedly in its final stage of trials in countries including Mexico and Indonesia with results expected as soon as the New Year.