

Vaccine diplomacy

The UK is likely to have a substantial surplus of vaccine doses over home needs, thanks to its early and substantial actions to help firms develop and produce them including placing advance orders. The UK success also included working with Astra Zeneca who came up with the cheapest vaccine on offer and promised to sell it profit free, thanks to the UK taxpayer backing the project in its early days. It is perhaps understandable that some other countries, some higher charging companies and the EU are jealous of this success.

The UK took a big risk, as no-one could be sure which companies if any would succeed when the UK made investments and offered contracts. As a result of good choices the UK will have substantial supplies of vaccines from other companies as well as Astra. This will allow the UK to offer many millions of doses of various vaccines to others. The issues arise, which countries should we choose and on what basis should the additional vaccines be supplied?

There is a case to be made to supply some of our surplus free of charge to low income countries who did not have the rich country advantages of a strong domestic industry to develop the products, or the cash to forward order in quantity. This would be a good use of our overseas aid budget, paying for the vaccines from that source. It is difficult to see why we should similarly supply free to any higher income country that would like our diverted orders. There is a case for charging them what they cost us. Some might argue we should charge them a higher market price. In the case of Astra product that would raise the issue should any part of a UK taxpayer profit be shared with Astra who otherwise have a break even price, and might raise issues for Astra about their promises over general pricing and supply. There is also the issue of what criteria we should use to select the countries that we help. I suspect many UK taxpayers would be unhappy to help any country that had recently imposed trade bans, restrictions or sanctions on us or who had tried to undermine the reputation of Astra product. I would be interested in views.