

**CULTURE, CRISES, AND CAPITALISM**  
**Panel session “ECONOMIC POLICIES OF COVID ERA”**

**The panel seeks to bring together works on the rise and management of the Covid crisis under the rule of financialization.**

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**ASSA 2022 Virtual Annual  
Meeting**

# **Geopolitics and financial profitability, the big pharmaceutical dispute**

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# Principal objective

The pandemic evidenced the struggle for financial profitability of large pharmaceutical companies, inequality between countries, and inequality within nations, resulting from more than fifty years of stabilization policies, where monetary and fiscal policies have subsumed themselves to the institutional investors' interests.

In the face of lockdown measures and the attempt to return to 'normality', central banks, as lenders of last resort, abandoned financial restriction policies to give way to fiscal policies and promoted a soft readjustment through credit expansion and accelerated public debt looking to recover economic growth in a 'fast track'. Proof of this is the worldwide recovery of GDP growth rates but, despite having a rapid recovery, they showed an uncertain scenario in the short and medium terms, accompanied by financial exuberance in stock market indicators at the international level.

1o - the focus of this paper will be on demonstrating the profits of pharmaceutical companies, a business that, in the long term, intensified due to the new mutations that SARS-CoV-2 has had during the current situation;

2o - Unequal vaccine access by country and by region

3o - Struggle between an economy for life and an economy for the financialization process

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# *The Great Transformation: The Political and Economic Origins of Our Time*

Almost two years after the SARS-CoV-2 emerged and the pandemic officially declared worldwide, the self-regulating market that Karl Polanyi became visible. To this is added the organizational empire of *haute finance*, the nucleus of one of the most complex institutions produced by human history (Polanyi [1944] 2001: 11).

Proof of this is the financial profitability of the pharmaceutical companies producing the covid-19 vaccine.

In the current situation, vaccine and profit are synonymous with economic recovery; a principle that is present in the speeches of the International Monetary Fund (IMF), World Bank (WB), and the Bank for International Settlements (BIS) being the axis of the geopolitical reordering for the return to 'normalcy' even from the Davos Economic Forum.

# 1. Profits

The profits of the pharmaceutical industry had not been as substantial as those of others linked to high technology, however, in a few weeks, supported by financing from both financial markets and governments, they appeared in the ring.

The United States, the United Kingdom, Germany, and France are financing vaccines and favoring ‘shareholders’ and ‘stakeholders’, that is, to the shareholders from the companies supplying the vaccines.

At the same time, the laboratories of India, China, and Russia also compete for spaces of influence through a “soft diplomacy” fight. Even this struggle for spaces or future markets carries out without satisfying the needs of the vaccination process for their populations.

# Profits

Next, we are interested in highlighting the indicators of large pharmaceutical companies based on

- 1) net income,
- 2) financial indicators, and
- 3) price of shares to understand the necessary production of vaccines in the face of SARS mutations -CoV-2, which example is in the Delta and the current situation of the new Omicron variant. It is relevant to continue deepening and researching the development of vaccines.



# 1) Profits: net income

<b>Table 1. Net Income for Big Pharma Covid-19 Vaccines</b>					
<b>September 2020-2021</b>					
<b>Millions of US dollars</b>					
	<i>9/30/20</i>	<i>12/31/20</i>	<i>3/31/21</i>	<i>6/30/21</i>	<i>9/30/21</i>
Johnson & Johnson	3,554.00	1,738.00	6,197.00	6,278.00	3,667.00
Pfizer	2,194.00	594.00	4,877.00	5,563.00	8,146.00
AstraZeneca	648.00	1,012.00	1,561.00	550.00	-1,652.00
Moderna	-233.64	-272.49	1,221.00	2,780.00	3,333.00
BioNTech	-245.51	437.69	1,359.19	3,360.93	3,785.12
Sinopharm	298.29	336.77	276.49	277.39	327.47
Sinovac Biotech	11.16	108.83	N.A	N.A	N.A
CanSino Biologics	-10.66	-33.36	-2.18	147.29	61.33
Bharat	-0.52	-0.26	-1.59	0.26	-1.26

Notes: Sinopharm, Sinovac, Cansino Biologics, and Bharat report their financial information in domestic currency. This information was converted into US dollars using the International Monetary Fund exchange rates as a reference.

N.A. = no data

Source: own elaboration with data from *Yahoo Finance* and *Google Finance*, 2021.



## 2) Profits: financial indicators

Pharmaceutical company	<i>Revenue</i>	<i>Net Income</i>	<i>Total Debt</i>	<i>Year-on-year change in Revenue (%)</i>	<i>Year-on-year change in Net Income (%)</i>	<i>Net profit margin (%)</i>	<i>ROA (%)</i>	<i>ROE (%)</i>
	<i>Millions of US dollars</i>							
Johnson & Pfizer	82,580.00	14,710.00	35,266.00	0.64	-2.68	17.82	8.85	23.97
AstraZeneca	41,910.00	9,616.00	38,274.00	1.79	-40.91	22.95	4.34	11.05
Moderna	26,620.00	3,196.00	20,380.00	9.16	139.40	12.01	5.24	23.36
BioNTech	803.40	-747.06	207.30	1,234.34	-45.34	-92.99	-16.74	-39.99
Sinopharm**	550.92	17.36	10.44	344.17	108.49	3.15	0.93	1.55
Sinovac	66,139.02	1,041.52	9,930.32	7.32	14.95	1.57	2.41	13.48
Bharat Biotech**	510.62	110.37	136.39	107.53	145.65	21.61	9.35	21.07
	11.50	-2.44	3.68	27.68	-77.38	-21.23	-15.69	-66.45

Notas: \*According to the Pan American Health Organization (PAHO): "As of November 2021, WHO has authorized the vaccines from Pfizer/BioNTech, AstraZeneca/Oxford, Janssen, Moderna, Sinopharm, Sinovac, and Bharat. Other vaccines continue to be assessed. In addition, National Regulatory Authorities (NRA) have licensed other COVID-19 vaccines in specific countries" PAHO (November 03rd, 2021). *Frequently Asked Questions: COVID-19 vaccines*. Accessed December 08th, 2021. <https://bit.ly/3Gzi6S3>

\*\*data for companies in China and India were converted to dollars using the International Monetary Fund exchange rates. The data are for the last fiscal year of the companies -December 2020- except for Bharat whose fiscal year ended in March 2021.

Source: own elaboration with data from *Google Finance*, *Yahoo Finance* and *WSJ Markets*, 2021.

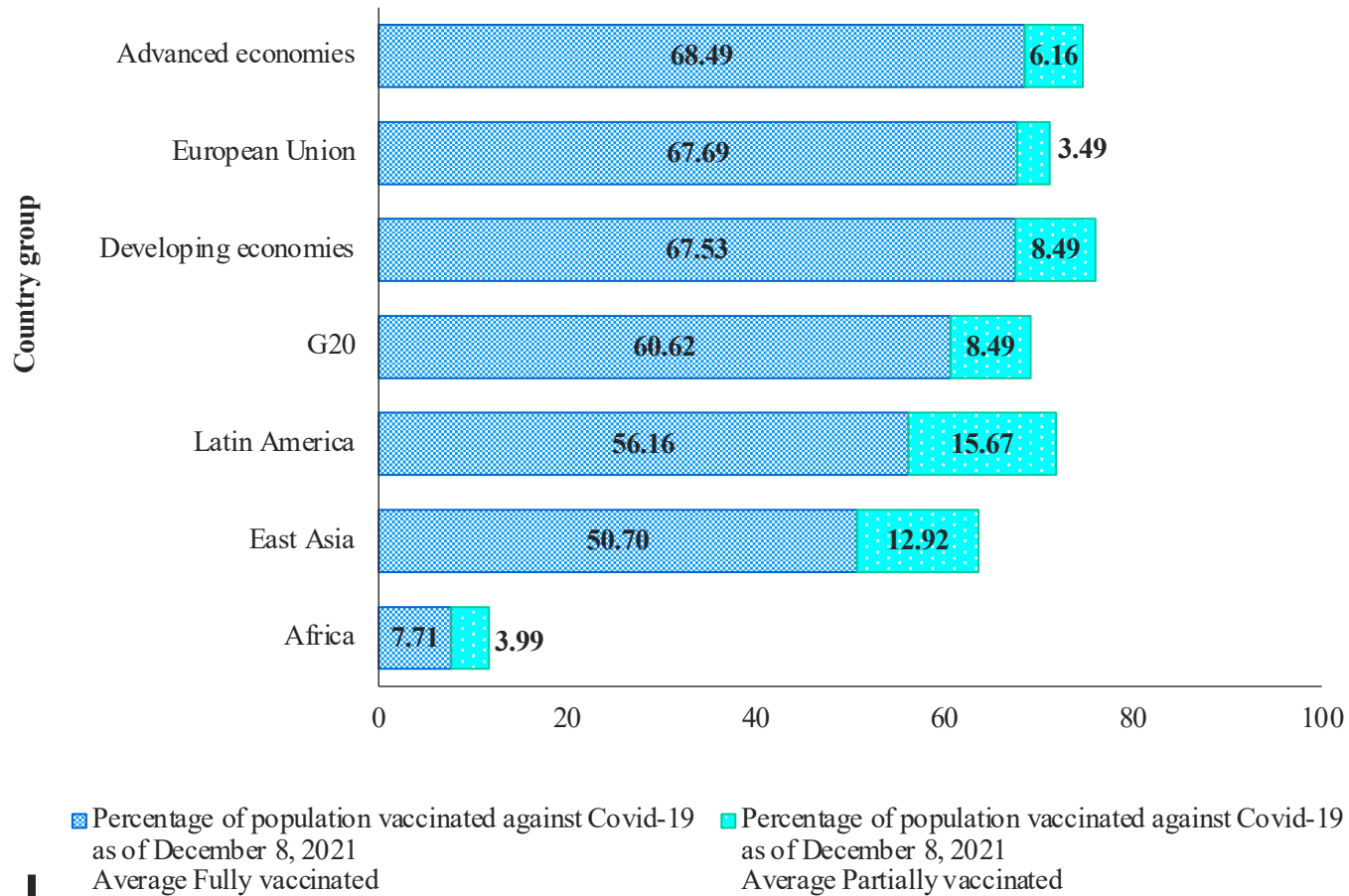
<b>Table 3. Share Prices for Big Pharma Covid-19 Vaccines 2019-2021 US Dollars*</b>										
	<i>Dec-19</i>	<i>Mar-20</i>	<i>Jun-20</i>	<i>Sept.20</i>	<i>Dec-20</i>	<i>Mar-21</i>	<i>Jun-21</i>	<i>Sep-21</i>	<i>Oct-21</i>	<i>Nov-21</i>
Johnson & Johnson	145.87	131.13	140.63	148.88	157.38	164.35	164.74	161.5	162.88	155.93
Pfizer	39.18	30.92	30.977	34.766	36.81	36.23	39.16	43.01	43.74	53.73
AstraZeneca	49.86	44.66	52.89	54.8	49.99	49.72	59.9	60.06	62.38	54.83
Moderna	19.56	29.95	64.21	70.75	104.47	130.95	234.98	384.86	345.21	352.43
BioNTech	33.88	58.4	66.74	69.23	81.52	109.19	223.88	272.99	278.73	351.74
Cansino Biologics	7.53	16.07	27.58	21.21	22.73	37.90	53.18	35.36	25.74	22.02
Sinopharm	3.40	2.10	2.39	2.03	2.35	2.35	2.88	2.61	2.38	2.18
Bharat	0.10	0.08	0.19	0.37	0.69	0.62	0.99	0.73	0.73	0.69

Notes: \*for comparison purposes, the share prices of Chinese and Indian companies were converted into US dollars at their respective exchange rates obtained from the International Monetary Fund and the Bank for International Settlements.

Source: own elaboration with data from *Yahoo finance*, 2021.

## 3) Profits: share prices

**Graph 1.**  
**Percentage of population vaccinated against Covid-19**  
**December 8th 2021**  
**Average**



Note: the following countries were taken as reference for advanced economies: United Kingdom, Belgium, Italy, Spain, United States, France and Japan; and for developing economies: Saudi Arabia, Turkey, China, Brazil, Mexico, India, Russia, South Africa and Nigeria.

Source: own elaboration with data from Our World in Data, 2021. <https://bit.ly/3irskcP>

## 2. Unequal vaccine access by country and by region

# Unequal vaccine access by country and by region

Table 4. COVID-19 vaccine donations 2021 \*

Producing economy	United States of America				European Union				China			Russian Federation		
Continent/Resource	Direct donations	Donations via COVAX	Direct donations (% of total donations)	Donations via COVAX (% of total donations)	Direct donations	Donations via COVAX	Direct donations (% of total donations)	Donations via COVAX (% of total donations)	Direct donations	Donations via COVAX	Direct donations (% of total donations)	Direct donations	Donations via COVAX	Direct donations (% of total donations)
Africa	756,140	63,147,942	0.4	33.0	9,336,428	16,612,595	11.0	19.6	13,498,340	N.D	22.5	N.D	N.D	
Asia	11,412,520	78,037,732	6.0	40.8	10,758,443	14,332,070	12.7	16.9	42,133,000	N.D	70.4	N.D	N.D	
Europe	42,000	2,895,468	0.0	1.5	4,320,080	188,400	5.1	0.2	2,232,000	N.D	3.7	227,000	N.D	100.0
North America	5,173,619	7,755,448	2.7	4.1	12,467,702	3,264,218	14.7	3.8	390,000	N.D	0.7	N.D	N.D	
South America	18,216,700	3,131,946	9.5	1.6	7,900,000	5,323,560	9.3	6.3	1,260,000	N.D	2.1	N.D	N.D	
Oceania	N.D	754,880	N.D	0.4	217,083	236,032	0.3	0.3	360,000	N.D	0.6	N.D	N.D	
Total per resource	35,600,979	155,723,416		100.00%	44,999,736	39,956,875		100.00%	59,873,340	N.D	100.00%	227,000	N.D	100.00%
Total donations by producing economy	191,324,395				84,956,611				59,873,340.0			227,000.0		

Notes: \*"As of October 31st, 2021" (WTO, November 19th, 2021). N.D.= No data

Source: own elaboration with data from the World Trade Organization (WTO) (November 19th, 2021) "WTO-IMF COVID-19 Vaccine Trade Tracker". Accessed December 07th, 2021. <https://bit.ly/3lRjEy>

# Reflection

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Struggle between an economy for life and an economy for the financialization process.

Almost two years after coronavirus emerged, our lives and the international economy were interrupted.

As Polanyi mentions in his book *The Great Transformation*, the market economy has subsumed society for the sake of profitability.

As Keynes stated, rentier capital has become quite involved in obtaining profits, contradicting the society's consumption and enriching shareholders and stakeholders; that is, those in control of companies and large pharmaceutical corporations related to large groups of institutional investors worldwide.

Undoubtedly, financialization and how it developed throughout the pandemic shows in both: the profitability indicators of pharmaceutical companies worldwide, the 'Big Pharma' from USA, Germany, UK, China, India, and Russia.

