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**The vaccine urgency**

The major cities of Pakistan have been caught up in a vaccine frenzy, as people flocked to get the Sputnik V jab in the private market. The government's decision to allow registration to private importers has also been in the news and under question by various groups.

Given the fact that Pakistan is the fifth most populous country, we would need approximately 80 million doses to vaccinate 70 percent of our adult population in order to achieve the desired herd immunity level. This is a mammoth task financially and operationally. Realizing the predicament, the government has rightfully allowed the private market to import Covid-19 vaccines to expedite the process.

The price of the vaccine has led to a lot of debate in the past few weeks. There are two schools of thought when it comes to the price of the Sputnik V vaccine in Pakistan – those who think that the vaccine should be priced at $10 per single dose and those who are willing to pay a premium in order to save their own lives as well as of their families.

In order to understand the reason for the price of the vaccine being Rs6,134 for a single dose and not Rs1,550 ($10) in Pakistan, we dive into the details to see if the price is indeed justifiable.

We learnt that Russia has given the distribution rights for Sputnik V for several countries, including Pakistan, to the United Arab Emirates. Therefore, Pakistan can only procure the vaccine from the UAE which results in an additional cost. For instance, if the vaccine is priced at $10 per single dose at Freight on Board (FOB) shipping terms from Russia, by the time the vaccine arrives in the UAE, roughly $4–5 is added on account of freight cost from the manufacturer to the port at the UAE, insurance, taxes, duties, transportation from the port to the warehouse etc. The vaccines are subsequently stored at special warehouses in the UAE where a temperature of less than minus 18 C is maintained. Significant energy and specialized equipment is required in order to maintain the required temperature during transportation and storage, resulting in higher costs.

As per documents retrieved from reliable sources, we have verified that AGP imported the vaccines from the UAE at $22.5 per single dose. This price accounts for the cost of the vaccine, all allied costs mentioned above, and transportation cost from UAE warehouses to the Karachi airport. Once the vaccine arrives in Pakistan, it is subject to government taxes, clearing charges, insurance, warehousing cost, pan Pakistan logistics, distribution costs from warehouses to hospitals etc. Furthermore, hospitals are offered a margin of 15 percent to administer the vaccine. The margin is used to cover expenses related to setting up their vaccination centres, pre-inoculation screening, post-inoculation observation, supplies, utilities, staff cost etc.

Considering the various charges that are required to be borne on top of the $10 price from the manufacturer, the final price of Rs6,134 or approximately $40 is plausible once you take into account the entire supply chain and hospital administrative costs. Moreover, after speaking to several people who paid to get Sputnik V, we have learnt that people are ready to pay for Sputnik V as its efficacy at 91.6 percent is significantly higher compared to other vaccines available in Pakistan. Moreover, at this point in time the availability of the vaccine is far more important than the price. We have learnt that the global demand of all the available vaccines far outstrip the supply and production supplies of various manufacturers who are fully booked for the next two quarters. Securing supplies at this time is an extremely challenging task.

On a relative basis, a single dose of the vaccine is even less than the cost of a Covid-19 PCR test in the private market. And if you add in the cost of treatment, hospitalization in acute cases, lab works, health risks in the unfortunate event of contracting the virus, the price of the vaccine will be a fraction of the overall cost.

We have also come across people who say that as per the constitution of Pakistan, it is the responsibility of the state to provide healthcare for the population. While these people are absolutely correct, they do not take into perspective the financial position of the country.

To put things in perspective, let’s assume that the government decides to vaccinate 100 million people each year with Sputnik V and let’s further ignore all allied costs and consider the $10 price offered by the manufacturer as the only cost. Since two doses are required per person, the total cost per year for the government would be $2 billion (Rs310 billion), which would put a significant burden on Pakistan’s economy resulting in high inflation, unemployment etc.

Although the government is offering people aged 50+ vaccines donated by China, it could take several months by the time people of a younger age can get vaccinated. Therefore, the only solution is to allow the private sector to step in to assist the government. This is exactly what the government did by allowing AGP to import Sputnik V whereby thousands have already been inoculated.

With the third wave creating havoc in almost all our major cities and Pakistan being recently placed in the new countries added to the UK's travel ban list, we are running out of time and options. While individuals are eager to vaccinate themselves, various local and foreign corporates have shown a keen interest in inoculating their entire staff to provide a safe work environment. The month of Ramazan is around the corner and we as a nation are known for our big hearts, especially around this month. This charitable tendency can be used in a massive inoculation drive putting us back on track on the inoculation comparisons with other countries. Given the urgency, a private-public partnership appears to be the only solution.

The world will soon move towards mandatory vaccinations requirements for travel, further isolating Pakistan if we do not act quickly. The more important question at this time is: can we afford to wait?

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