



BULLETIN May 2021

Inside this edition:

1. [Introduction](#)
2. [AFTINET opposes corporate rights to sue governments in UK FTA](#)
3. [Intensifying campaign for WTO to suspend patents on COVID-19 vaccines following US qualified support for South Africa – India proposal](#)
4. [COVID-19 vaccines create nine new Big Pharma billionaires](#)
5. [Big Pharma resists, plans profit boost](#)
6. [Health experts say Australia must back the movement to waive WTO rules on vaccine patents](#)
7. [Amid COVID disaster, global civil society calls for fundamental transformation of WTO](#)
4. [Support the ActionAid #PayYourWorkers campaign for garment industry](#)

1. Introduction

Dear Members,

As this Bulletin goes to press, the UK government – not Australia's – has revealed that Investor-State Dispute Settlement is part of the negotiation for the proposed UK-Australia Free Trade Agreement, despite all the scandals about ISDS in the last two decades. AFTINET will be campaigning hard against this.

The COVID-19 pandemic is still dominating the trade policy debate, and the intense struggle continues in the World Trade Organisation over the proposal by South Africa, India and others, to temporarily suspend WTO 20-year patent rules to enable universal, low-cost access to vaccines, treatments and equipment.

Despite campaigns by AFTINET, public health, unions and other community groups, and a US decision to support the suspension for vaccines, Australia is still on the wrong side of this vital argument. Meanwhile the unequal distribution of vaccines world-wide, and the devastating death rates in India, Nepal and other countries, continue to demonstrate the need for a radical change.

AFTINET relies on your support to continue our campaigns. If you have not already done so, you can renew your AFTINET membership [here](#), donate [here](#) or buy the unique AFTINET 20th Anniversary cloth banners or T-Towels with Wilcox and Tandberg cartoons [here](#).

Please share items from this Bulletin with your networks and friends.

Thanks and keep safe.

The AFTINET Team

2. AFTINET opposes corporate rights to sue governments in UK FTA

The British Trade Minister has confirmed that corporate rights to sue governments are being discussed in the final negotiations for the Australia-UK Free Trade Agreement before an announcement at the G7 meeting in the UK on June 11-13. This is unacceptable and will fuel community opposition to the deal in both Australia and the UK.

As reported in [the Guardian](#) UK Trade Minister Greg Hands said: “It is a live negotiation. There will be a chapter on investment. We are huge investors in each other’s markets. I would remind the House that the UK has never lost an ISDS case.”

In a media release on May 31, 2021, AFTINET Convenor Dr Patricia Ranald said, “Investor-State Dispute Settlement (ISDS) is unacceptable because it gives global corporations special rights to sue governments in unfair international tribunals over democratic changes to public health, environment and other public interest laws. Australians remember that the [Philip Morris tobacco company sued Australia](#) for billions over our plain packaging law. It took a total of seven years and \$24 million in legal costs for Australia to win the case, and only half of this was recovered.

“There are now over 1,000 known ISDS cases, with increasing numbers against [health](#) and environment laws, including laws to address [climate change](#).”

“ISDS would give UK corporations the right to sue Australia over democratic legal changes in Australia. For example, British aged care company BUPA could claim compensation if the government follows the recommendations of the Royal Commission into Aged Care Quality and Safety and regulates for improved staffing levels and quality of care.

“Huge community opposition has led governments to reject ISDS. The 27 EU member states have [terminated ISDS arrangements between themselves](#), and ISDS has been excluded from the EU-Australia Free Trade Agreement. The US and Canada have excluded ISDS from their part of the new North America Free Trade Agreement, known as the [United States-Mexico-Canada Agreement](#)”, said Dr Ranald.

“Strong community campaigns resulted in exclusion of ISDS from the [Regional Comprehensive Economic Partnership](#) (RCEP) signed in November 2020 between Australia, New Zealand, China, Japan, South Korea and the 10 ASEAN nations,” said Dr Ranald.

“We call on the Australian Government to exclude ISDS from the Australia-UK FTA as has been done in the Australia-EU FTA and the RCEP.”

3. Intensifying campaign for WTO to suspend patents on COVID-19 vaccines following US qualified support for South Africa – India proposal

GetUp has [joined the campaign](#) to change World Trade Organisation rules to make COVID-19 vaccines available to all, following weeks of mounting pressure following a May 5 decision by the US Biden-Harris administration. The Morrison Coalition government in Australia is still blocking the change at the WTO. You can sign the *Getup* petition [here](#). You can also send a message to the PM [here](#).

On May 6, AFTINET issued a [media statement](#) to welcome the US decision, New Zealand's support for it, and to urge the Morrison government to come out in support.

Just prior to a WTO dialogue on the COVID-19 vaccine patents at the end of April, over 700 Australian health care professionals and academics, supported by Medecins Sans Frontieres and the Public Health Association of Australia, [called on the Australian government](#) to support South Africa and India's proposal in the World Trade Organisation for [fair global access](#) to COVID-19 vaccines.

US Trade Representative Katherine Tai met with South African and Indian Trade Ministers on May 13 and 14 to discuss COVID-19 vaccine production and the suspension of WTO intellectual property rules. [Ambassador Tai](#) argued that the suspension negotiations were a chance for the WTO to reassert its relevance in addressing the modern-day challenges of the pandemic.

The European Union is another focus of this struggle, because of the strong pharmaceutical industry based there. The [European Parliament](#) Development Committee voted on May 20, 2021, to call on the European Union to support the suspension of the WTO intellectual property rights for vaccines and treatments for COVID-19 while the pandemic lasts.

The European Commission has the power to ignore the Parliament's resolution, but this development is still a big step forward thanks to the hard work by campaigners over many months, and shows public opinion and parliaments are supporting the suspension of these patents.

In another development in the trade rules debate, the [Malaysian Prime Minister](#) told a conference on the future of Asia that "Malaysia welcomed the Biden Administration's stated intention on May 5th to support the temporary waiver of intellectual property (IP) protection for COVID-19 vaccine. With epidemiologists warning that we have entered a new age of pandemics, Malaysia strongly believes that the extraordinary circumstances of the COVID-19 pandemic call for extraordinary measures.

"To prepare for a long century of recurring health emergencies – the temporary IP suspension must give way to a total transformation of the pharmaceutical patent system. Pausing the gears is not enough. Our obligation is to dismantle it entirely. And Asia must lead the way in opening up patent protections to produce cheaper generic versions of life-saving medicines for critical diseases, from COVID-19 to HIV/Aids.

"Based on the United Nations (UN) Article 25(1) of Universal Declaration of Human Rights, it is high time for these innovations – drugs, vaccines, medical devices etc. – to be brought out of the purview of individual patent rights and for global property rights to be created instead".

4. COVID-19 vaccines create nine new Big Pharma billionaires

At least nine people have become new billionaires since the beginning of the COVID-19 pandemic, thanks to the excessive profits made by pharmaceutical corporations with monopolies on COVID vaccines, [The People's Vaccine Alliance](#) revealed ahead of a G20 leaders Global Health Summit on May 21, 2021.

Between them the nine new billionaires have a combined net wealth of \$19.3 billion, enough to fully vaccinate 776 million people in low-income countries 1.3 times over. Meanwhile, these countries have received only 0.2 per cent of the global supply of vaccines, because of the massive shortfall in available doses, despite being home to 10 per cent of the world's population.

In addition, eight existing billionaires— who have extensive portfolios in the COVID-19 vaccine pharma corporations - have seen their combined wealth increase by \$32.2 billion, enough to fully vaccinate 1,380 million people in India.

Campaigners from the People's Vaccine Alliance - whose members include Global Justice Now, Oxfam and UNAIDS - have analysed *Forbes Rich List* data to highlight the massive wealth being generated for a handful of people from vaccines which were largely public funded.

Anna Marriott, Oxfam's Health Policy Manager, said: "What a testament to our collective failure to control this cruel disease that we quickly create new vaccine billionaires but totally fail to vaccinate the billions who desperately need to feel safe".

Heidi Chow, Senior Policy and Campaigns Manager at Global Justice Now, said, "The highly effective vaccines we have are thanks to massive amounts of taxpayers' money, so it can't be fair that private individuals are cashing in while hundreds of millions face second and third waves completely unprotected. It is a sad indictment of the loyalties of some current governments that a handful of people working for pharmaceutical companies have been allowed to become billionaires off the back of publicly-funded efforts to end the pandemic".

The nine new vaccine billionaires, in order of their net worth are:

- Stéphane Bancel, Moderna's CEO (worth \$4.3 billion)
- Ugur Sahin, CEO and co-founder of BioNTech (worth \$4 billion)
- Timothy Springer, an immunologist and founding investor of Moderna (worth \$2.2bn)
- Noubar Afeyan, Moderna's Chairman (worth \$1.9 billion)
- Juan Lopez-Belmonte, Chairman of ROVI, a company with a deal to manufacture and package the Moderna vaccine (worth \$1.8 billion)
- Robert Langer, a scientist and founding investor in Moderna (worth \$1.6 billion)
- Zhu Tao, co-founder and chief scientific officer at CanSino Biologics (worth \$1.3 billion)
- Qiu Dongxu, co-founder and senior vice president at CanSino Biologics (worth \$1.2)
- Mao Huinhua, also co-founder and senior vice president at CanSino Biologics (worth \$1 billion)

5. Big Pharma resists, plans profit boost

In response to the surprise move by the Biden-Harris administration, the pharmaceutical industry in the US launched a campaign to reverse the new White House position on suspending patents on COVID-19 vaccines, according to a report by [The Intercept](#).

On May 12, Jared Michaud, a lobbyist with the Pharmaceutical Research and Manufacturers of America, which includes Pfizer, Johnson & Johnson, AstraZeneca, and other major drug firms, sent an email laying out the industry's role in coaxing lawmakers to push back against a waiver.

So far 29 House Republicans have signed onto a letter to President Biden opposing the vaccine waiver.

Talking points issued by the PhRMA said that waiving intellectual property will undermine the global response to the pandemic and compromise vaccine safety, empower Russia and China, and that the drug companies are already voluntarily supporting India in the pandemic crisis there.

PhRMA spent over \$US24 million on US federal lobbying last year and is one of the biggest corporate players in election spending.

Drugmakers hope to weaken the waiver's backing, slow negotiations, and delay any decision on the production of generic vaccines.

Big Pharma argues that a patent waiver would change nothing because developing countries don't have the technology and skills to produce safe versions of the vaccines. However, the Serum Institute of India has been contracted to produce the bulk of the Oxford AstraZeneca vaccine, and a

US plant in Baltimore managed to [contaminate ingredients](#) for the Johnson & Johnson vaccine, causing the dumping of about 15 million doses.

Another argument from some EU officials argue that it could take two years to agree on the [waivers in the World Trade Organization \(WTO\)](#), most likely making it irrelevant to the current pandemic.

However, WTO Director-General Dr Ngozi told member states that she "warmly welcomed" the US move. "We need to respond urgently to COVID-19 because the world is watching and people are dying," she said.

Pfizer predicts huge revenue increase from COVID-19 vaccine sales

In early May, Pfizer significantly increased revenue projections from its COVID-19 vaccine for the year, as the vaccine sales in the first three months of 2021 lifted the company to a stronger quarterly profit. The vaccine contributed US\$3.5 billion in revenue in the first three months of 2021. Over the course of the full year, Pfizer now expects the vaccine to generate [US\\$26 billion in sales](#), up from an earlier forecast of \$15 billion.

Pfizer Chief Executive Albert Bourla said in a Dow Jones interview that the South African and Indian [proposal to suspend patent rights](#) for COVID-19 related products "doesn't make sense" because doing so wouldn't result in more doses. Dictating the sharing of patents would discourage biotech companies from developing products for the next pandemic, he said.

Pfizer's Covid-19 vaccine sales in 2021 might exceed the new US\$26 billion forecast, which reflects the 1.6 billion doses that the company is under contract to deliver. That is an average cost of US\$16.25 per dose. Pfizer and BioNTech say they can manufacture up to 2.5 billion doses this year and at least three billion next year.

Pfizer said it is selling the vaccine at lower prices or at cost to low- and middle-income countries, and that about one-third of the doses this year will be for poorer countries. But it is clear that high - income countries are first in the queue and that while companies like Pfizer control the process, it will be several years before vaccines are available to the majority in low-income countries. In April 2021, South Africa called out Pfizer for demanding [unreasonable contract terms](#), including for sovereign assets to be sold to pay for any claims for compensation for adverse effects from the vaccine.

A WTO dialogue held on April 14, 2021, did identify [untapped vaccine production potential](#) in the developing world, according to the WTO Director-General Dr Ngozi.

6. Health experts say Australia must back the movement to waive WTO rules on vaccine patents

Unless all countries can vaccinate against COVID-19 in the next 12 months, new variants of the coronavirus are likely to force ongoing lockdowns even in countries like the USA and UK, which are rapidly vaccinating their entire populations, [argued Dr Deborah Gleeson](#) in the *Canberra Times*. Dr Gleeson is an associate professor in public health at La Trobe University.

She urged the Australian government to immediately donate a fair share of its vaccine supply to COVAX, the global vaccine distribution project. Australia must also support initiatives to increase the global supply of vaccines and other medical products to fight the pandemic, through licensing and technology transfer mechanisms, and waiving WTO rules on intellectual property rights, she wrote.

With the latest pre-purchase of [25 million doses of the Moderna vaccine](#), Australia has now ordered [169.8 million](#) vaccine doses from suppliers, enough to vaccinate its population more than three times over.

On May 12, 2021, the [Independent Panel for Pandemic Preparedness and Response](#), commissioned by the World Health Organisation to review the international health response to the pandemic, said "the significant inequity in vaccine access must be addressed immediately".

The panel's report called for rich countries that already have enough vaccines in the pipeline to urgently donate through COVAX at least 1 billion doses by September 1, 2021, and more than 2 billion by mid-2022.

COVAX had planned to distribute more than 2 billion doses by the end of 2021, but has so far managed to ship [less than 61 million](#), putting it way behind target. And 92 low-income countries are relying on COVAX to vaccinate their health workers and vulnerable groups - many can't afford to purchase doses directly from pharmaceutical companies, even if there was sufficient supply.

The panel stressed that vaccine manufacturers should provide licences and share their technology with more manufacturers, to increase the amount of vaccine being produced globally. But not a single vaccine producer has contributed to the [COVID-19 Technology Access Pool](#), a mechanism already set up last year to enable this.

The panel indicated that if initiatives to increase voluntary licensing and technology transfer haven't made progress within three months, a waiver of intellectual property rights under discussion at the World Trade Organisation should immediately come into force.

7. Amid COVID disaster, global civil society calls for fundamental transformation of WTO

At the end of April, 202 international and nation civil society organisations [wrote to all heads of state](#) to call for fundamental change to the whole World Trade Organisation project.

Current WTO rules tend to meet the needs of global corporations at the expense of workers and consumers, especially in low-income countries. We now have the example of how WTO rules for 20-year monopoly patents for pharmaceutical companies on vaccines mean that governments have to negotiate with the companies for access to vaccines. Those in high income countries are first in line, while the majority [in low-income countries](#) will not have access until 2023.

Fifteen Australian organisations, including the Australian Council of Trade Unions, the Australian Fair Trade & Investment Network and the Public Health Association of Australia, were among the labour, environmental, consumer and other organizations from 67 countries who called for the transformation of the WTO to put people and the planet first.

"The original global trade body – the International Trade Organization that was envisioned in the Havana Charter of 1948 in response to the horrors and chaos of World War II – focused on full employment, limiting corporate concentration, fair competition, protections for workers and standards to ensure currency and other related policies did not distort trade. That very different vision for a rules-based global trading system – updated to recognise the climate crisis, systemic inequality, and the unaccountable power of Big Tech – remains attainable, but only if countries agree that global trade rules are supposed to work for people around the world, not the world's largest corporations," said the letter.

8. Support the ActionAid #PayYourWorkers campaign for garment industry workers

April 24 was the anniversary of the 2013 Rana Plaza disaster in Bangladesh, when an eight-storey garment factory complex collapsed, killing more than 1,000 people and injuring another 2,500 workers, almost all women and girls.

Eight years on, women garment workers are still campaigning for their rights. So ActionAid launched its [#PayYourWorkers](#) campaign for Nike to pay its workers everywhere properly, including at Violet Apparel in Cambodia.

And COVID-19 has made their situation worse.

Before the pandemic, women garment workers were already being paid some of the lowest wages in the world, enduring terrible working conditions like backbreaking hours, and threats of violence and harassment. [Trade agreements without commitments to workers' rights](#) contribute to intense global competition and a race-to-the-bottom on working conditions.

When COVID-19 hit, brands rushed to maximise profits by cancelling and refusing to pay for completed and in-production orders, and pressuring factories to give discounts. Factories were forced to close. Women garment workers lost their jobs and were robbed of their legally-entitled wages and other benefits, making a bad situation even worse. Women are struggling to feed themselves and their families, and brands like Nike have turned their backs on them.

As part of the [#PayYourWorkers](#) campaign, over 200 organisations, including ActionAid Australia, have come together to demand that big fashion brands like Nike take action so that garment workers do not have to face this crisis alone.

Nike made a whopping \$1 billion in profit in just three months. Nike *can* and *should* support the women who make their clothes and shoes through this crisis.