

The Vaccine Race: China Expands its Global Influence

Hiddai Segev and Galia Lavi

Many countries are looking to the COVID-19 vaccines with the hope of overcoming the pandemic and beginning economic recovery. While the drug companies in the West operate as independent for-profit businesses, in China the government directs the research and development efforts of both state and privately owned companies, and uses them as a tool in its policy through official visits in the international theater, cooperation agreements, commitments to supply vaccines, and the provision of loans and other financial assistance. The vaccines developed in China are also among the most sought-after: a map of vaccine approvals in various countries illustrates China's growing global economic and political influence.

With over 100 million infections and 2.3 million deaths from COVID-19 worldwide (as of early February 2021), many countries are looking to vaccines in the hope of overcoming the pandemic. Some 70 vaccines [are currently](#) in trial stages in various countries, but only 11 vaccines have been approved to date for use in at least one country. Among the vaccines developed in the West, the approved vaccines are those developed by the German-American company Pfizer and the American company Moderna, which are already used in Israel. Other vaccines that have successfully passed the three development stages and been approved are the Russian vaccines Sputnik V and EpiVacCorona, the vaccine developed by the British-Swedish company AstraZeneca, and the Chinese vaccines developed by Sinopharm, Sinovac, and CanSino.

China attaches dual importance to the vaccines that it has developed. Internally, rapid vaccination of a large proportion of its population will make it possible to put the country back on track and focus on rebuilding the economy and accelerating growth. After an ongoing slowdown in recent years, the COVID-19 crisis reduced Chinese economic growth in 2020 to just 2.3 percent. However, the International Monetary Fund believes that Chinese GDP will jump 8.4 percent in 2021, and the Chinese government intends to do everything in its power to meet this forecast. Externally, distribution of Chinese-made vaccines to other countries is a tool for improving China's image, which was hit hard by China's concealment of information about the pandemic and the lack of effort to prevent its spread around the world. China hopes to gain credit, as the Chinese President said this past November at the G20 summit in Riyadh, through "help and support to other

developing countries" in making vaccines "a public good that citizens of all countries can use and can afford." China accordingly joined the World Health Organization's (WHO) Covid-19 Vaccines Global Access (COVAX) initiative to provide vaccine aid to developing countries. In the background, is the United States withdrawal from the WHO under the Trump administration in September 2020, with claims that the WHO was biased in favor of China. Recently, China's president spoke at the 17+1 summit, which includes China and 17 Central and Eastern European nations, and promised them a supply of vaccines alongside doubling of imports.

The technology of the vaccines and their success rates in clinical trials to a large extent dictate their potential global distribution. Pfizer and Moderna developed their vaccines using mRNA, an advanced and effective technology in which part of the virus's genetic code is injected, but not the virus itself, thereby encouraging the production of antibodies. The Chinese companies, on the other hand, use the older technology of injecting a real, inactivated virus into the body that stimulates the immune system to produce antibodies.

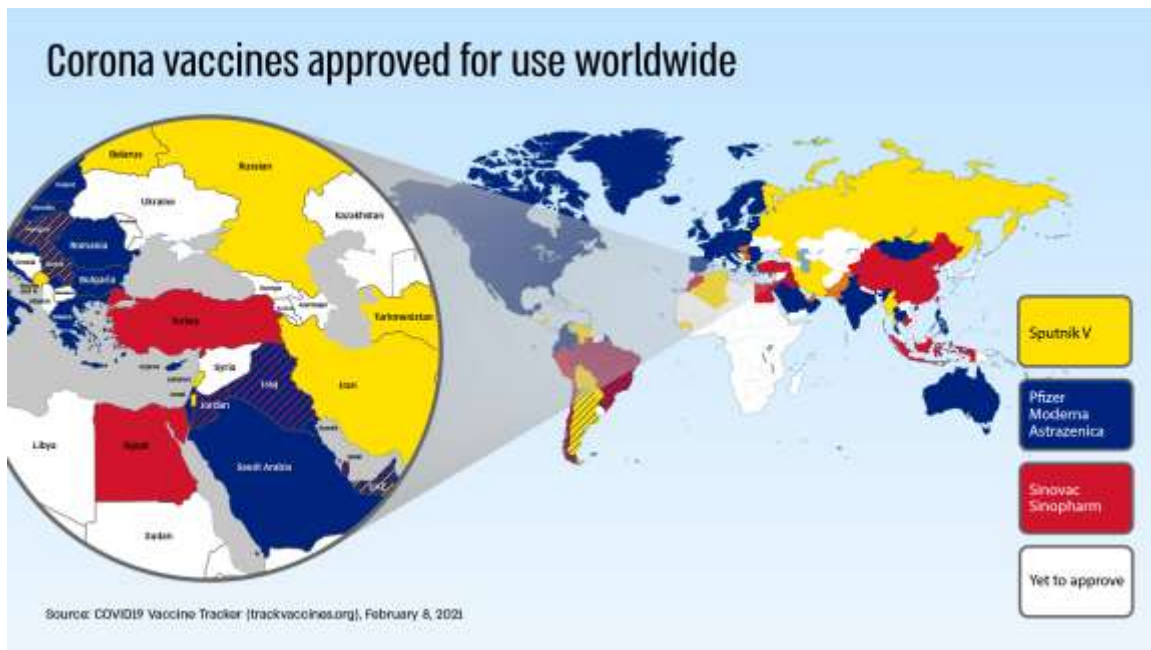
The Chinese state-owned enterprise Sinopharm obtained approval from the authorities in China on December 31, 2020, after its BBIBP-CorV vaccine demonstrated 79.34 percent effectiveness in clinical trials. The vaccine is being examined by the WHO, whose support is important for the regulatory agencies in various countries around the world. A decision on the matter is expected in early March. The results of a vaccine developed by another Chinese company, Sinovac, are equivocal, with success rates varying between 50 and 91 percent. Thus far, five countries have approved the company's vaccine: China, Turkey, Brazil, Chile, and Indonesia. Meanwhile, to date, China itself has vaccinated only 24 million people, among them medical teams, employees at high risk, and diplomats. The Chinese National Health Commission says that it plans to expand its vaccination program, and to provide the vaccine at a low price – later, even free of charge – to all of residents of China. China's ability to meet its vaccination targets is questionable. Sinopharm, approved by 13 countries so far – including the United Arab Emirates, Bahrain, Iraq, Pakistan, Peru, Jordan, and Egypt – produced 610 million doses of its vaccine in 2020, and Sinovac produced 300 million doses of its vaccine. The Chinese companies, however, have already undertaken to supply 400 million vaccine doses to other countries. It therefore appears that although Chinese policy is usually motivated by internal considerations, in this case China is giving priority to external considerations over its internal considerations. China portrays the supply of its vaccines as a humanitarian measure, under the motto, "No one should be left behind," while taking strong measures in the face of local outbreaks.

The vaccine technology also dictates its target market. The vaccines developed by Pfizer and Moderna require special and extremely expensive storage and transportation conditions. The Chinese vaccine, however, is relatively easy to store and transport at ordinary refrigeration temperatures, and is simpler and less expensive. The Western companies' vaccines are therefore suitable for developed countries that can afford the high storage and transportation costs, while the Chinese companies have so far sent vaccines to developing countries in Central Asia, South America, and Africa, which are willing – or forced – to settle for a merely "adequate" vaccine, even if it lacks advanced technology and may be less effective.

At the same time, the interest in the Chinese vaccine has also reached developed countries, including in regions well within the spheres of influence of the United States. Countries in Europe recently reported delays in the supply of the Pfizer, Moderna, and AstraZeneca vaccines, and this has detracted from those countries' efforts to meet their targets. Italy has even threatened to sue Pfizer and AstraZeneca as a result. The delay in supplying the Western vaccines allows the Chinese companies to offer a substitute. Serbia and Turkey decided to approve the Chinese-made vaccines, and the Czech Republic bought one million doses of the Sinopharm vaccine. Hungary was the first European Union member to approve the Chinese vaccines, and the German Ministry of Health [hinted](#) at the possibility of using the Chinese vaccines after they are approved by the European Union in order to overcome the delays in the supply of the Western vaccines. For China, supplying the vaccines can also be a means of expanding its economic and political influence in Europe, and of driving a wedge between Central and Southern Europe and the United States. For its part, the WHO is warning against "vaccine nationalism" that is liable to widen the gaps between the developed and developing nations.

While companies in the West operate as independent for-profit businesses, the Chinese government directs the research and development efforts of Chinese companies, both state and privately owned, and uses them as a tool in its policy through official visits in the international theater, cooperation agreements, commitments to supply vaccinations, and the provision of loans and other financial assistance. For example, China [donated](#) shipments of vaccines to 13 countries, among them its close allies Pakistan, Myanmar, and Cambodia, as well as to countries with which it wants to strengthen its relations, such as Serbia. China is also expected to make such donations to 38 more developing countries. In addition, in early January 2021, the Chinese Foreign Minister visited five countries in Africa. Although he did not repeat previous statements regarding his country's willingness to provide them with vaccines, the matter was raised in his talks with their leaders. Providing vaccines to Africa is an opportunity for China to bolster its ties with a continent rich in minerals, and is expected to gain credit for China with these

countries and strengthen the connections between the world's second largest economy and economies in need of its help. The Chinese foreign minister also visited neighboring countries in Asia, some of which have disputes with China over the South China Sea. He discussed with their leaders the supply of vaccines and the formation of closer economic ties. China's activity is likely to help China preserve regional stability, together with coordination and cooperation, in accordance with Beijing's policy in the region.



China does not publish comprehensive information about the supply of its vaccines throughout the world. Based on approvals by ministries of health in various countries, however, a map of vaccine approvals can be sketched showing the major powers' spheres of influence (see map). The Chinese vaccines are especially in demand in developing countries in Africa, Latin America, and Southeast Asia, as well as in countries with close ties with China. On the other hand, most of the developed countries prefer to buy vaccines exclusively from Western companies. At the same time, the map also shows Beijing's growing influence, and its success in taking market share away from Europe.

In the coming years, when the world is expected to sink into recession, economic considerations will be especially significant in developing countries, and will lend an advantage to the Chinese vaccines. China's highly developed vaccine production capacity, combined with the logistical simplicity surrounding its vaccines, will increase the demand for these vaccines. Beijing will therefore be in a comfortable position to offer its help to countries in economic difficulty, or those having difficulty in ensuring the supply of other vaccines. This will strengthen China's relations with these countries, including those that until now have not been considered its close friends, in another

aspect of the Chinese rivalry with the United States. It is possible that the new administration in Washington, which has already rejoined the WHO and the COVAX initiative, will be able to slightly reduce the Chinese advantage in the developing countries. Chinese penetration, however, will likely continue to expand to new spheres of influence in Europe.