

SA's Aspen signs deal paving way for J&J Covid vaccine license

South Africa's Aspen Pharmacare has signed non-binding terms with subsidiaries of US firm, Johnson & Johnson as part of talks on a licensing deal to package and sell J&J's Covid-19 vaccine in Africa.



Source: Reuters/Siphiwe Sibeko/File Photo

Aspen's shares rose almost 6% after the announcement.

Aspen currently packages J&J's Covid-19 vaccine at its South African plant under contract, which means it does not have any pricing or distribution power over the product.

The non-binding agreement, were it to convert into a definitive deal with J&J, would make Aspen the first African company to have a right over the distribution, pricing and branding of the vaccine.

Setting a precedent

The likely deal would not represent a technology transfer allowing Aspen to manufacture its own drug substance, but it would set a precedent by giving an African company the right to distribute and market the vaccine on the continent.

Africa is the least vaccinated part of the world and many of its leaders have called for vaccine equity and accused Western

countries of hoarding the shots.

Aspen said it had signed a non-binding term sheet with two of the Janssen pharmaceutical companies of J&J that will form the basis for negotiation of a definitive agreement on the manufacture and sale of an Aspen-branded Covid-19 vaccine throughout Africa.

Brand name Aspenovax

The agreement would allow Aspen to manufacture finished Covid-19 vaccines and sell them under Aspen branding to African countries. This would take place "through transactions with designated multilateral organisations and with national governments of member states of the African Union", it said.

It said Aspen would sell the vaccine under the brand name Aspenovax.

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