

January 14, 1972.

MEMORANDUM

(a) The quality of a number of their items is questionable. (DPT Polio Vaccine is not Dr. R.J. Wilson)

TO: Dr. R.J. Wilson

FROM: R.E. Binnerts

SUBJECT: Competition in Biologicals for Human Use

With reference to your request, I am setting out below my observations on the future of major manufacturers of biologicals for human use (excluding State-owned organizations).

Please note that these comments pertain solely to human preparations, not to biologicals for veterinary or poultry use.

Please bear in mind that these are based on the assumption that international trade is mandatory for a biological organization to survive.

1. Behringwerke

An extremely viable operation, and one which can give Connaught a considerable amount of competition mainly in Latin America, due to their policy of establishing their own basic manufacturing facilities in various countries such as Brazil and Argentina. They have their own limited production of biologicals for human use in Mexico.

However, also an organization which is anxious to reach a co-operation with Connaught in every field possible, as demonstrated by the current negotiations on processing of ERA Rabies Vaccine in Mexico and Latin America.

2. R.I.T.

An organization which appears to be getting out of the production of items for routine immunization, such as diphtheria, tetanus, whooping cough, etc. in favour of concentrating on developing a few specialized and high revenue-producing items.

3. Merieux

The future activities of this organization in the biological field, excluding blood derivatives, are hard to predict, once Dr. Merieux leaves. My personal experience with Rhone-Poulenc/May & Baker leads me to believe that, with the exception of bidding on tenders from some ex-British and ex-French colonies, little active sales promotion for biologicals will be carried out by this group in future.

It is rumored that Wyeth will cease production of biologicals even before 1975. In any case Wyeth is not active internationally, and moreover this firm have a very restricted line of products.

4. Swiss Serum and Vaccine Institute

No great future can be foreseen for this organization, due to the following reasons:

- (a) The quality of a number of their items is questionable. (DPT Polio Vaccine is an example).
- (b) This Institute refuses to sell their products in bulk.
- (c) Little research is being done, apparently.

5. Burroughs-Wellcome

Currently it is extremely difficult to make any assumptions on the future of this organization.

The range of their products is limited, and their policy does not appear to lean towards exportation of bulk products. On this basis I venture to guess that, while B-W will continue for a long time to come in the biological field, their importance overseas will wane gradually.

6. Glaxo/Evans/B.D.H.

This group already is out of the human biological field for all practical purposes.

7. Parke-Davis

This firm is ceasing to be a major force in the human biological area in the U.S.A., while they have never engaged in export to any extent.

I would guess that once the legal difficulties regarding the take-over of P-D by Warner Lambert have been cleared, the biological activities of P-D will cease.

8. National Drug Company

This organization has no intention of entering the export field. Indications are that little if any funds are being made available by Richardson-Merrell for the up-dating of facilities and for extensive research of National Drug Co.

9. Lederle

I have received indications that senior members of the biological section of Lederle currently are looking for other positions. It is likely that human biological production will cease altogether within the next two to three years with the possible exception of Sabin Polio Vaccine.

Lederle have not been active in the export field for at least ten years.

10. Wyeth

It is rumoured that Wyeth will cease⁷ production of biologicals even before Lederle. In any case Wyeth is not active internationally, and moreover this firm have a very restricted line of products.

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11. Pitman-Moore

This firm depends to a great extent on merely one or two items, such as Measles Vaccine and German Measles Vaccine.

Pitman-Moore may remain in the human biological field for some time to come, but only by means of importation of items from R.I.T.

In summary, I would rate the abovementioned companies as follows:

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| Behringwerke | - Extremely good |
| R.I.T. | - Of waning importance |
| Merieux | - Of relatively decreasing importance except for blood derivatives |
| Swiss Serum and Vaccine Institute | - Rapidly losing ground |
| Burroughs-Wellcome | - Of slowly waning importance |
| Glaxo | - No importance at all currently |
| Parke-Davis | - Will lose their remaining importance within the next five years or so |
| National Drug Co. | - Of decreasing importance, unlikely to survive for another ten years. |
| Lederle | - Likely to terminate operations within the next five years. |
| Wyeth | - As for Lederle |
| Pitman-Moore | - Will remain in the biological field with one or two specialties only. |