

[Yahoo!](#) [My Yahoo!](#) [Mail](#)

Search the Web

Search

YAHOO! FINANCE [Sign In](#)
New User? [Sign Up](#)[Finance Home](#) - [Help](#)**AP** Associated Press[Home](#) [Investing](#) [News & Commentary](#) [Retirement & Planning](#) [Banking & Credit](#) [Loans](#) [Taxes](#)[Special Editions](#) [Columnists](#) [Personal Finance](#) [Investing Ideas](#) [Markets](#) [Company Finances](#) [Providers](#)[Get Quotes](#)

GO

Symbol Lookup | Finance Search

AP

Australian Co. to Enter Flu Vaccine Market

Tuesday February 7, 12:28 am ET

By Deborah Yao, AP Business Writer

Australian Drugmaker to Enter U.S. Flu Vaccine Market, Perhaps by 2007

PHILADELPHIA (AP) -- An Australian pharmaceutical company is planning to introduce its flu vaccine in the U.S. as early as 2007, becoming the latest manufacturer to pledge increased production a year after a flu shot shortage scared the nation and led to long lines outside clinics.

CSL Limited, based in Melbourne with a subsidiary in King of Prussia, Pa., plans to file for regulatory approval early next year and hopes to offer the vaccines in time for the fall 2007 to spring 2008 flu season. The company is doubling capacity at its Australian plant to 40 million doses a year, half of which should be available for the U.S. market.

A spokeswoman for the Food and Drug Administration said the approval process can take months to years, but could be expedited in emergency situations. The FDA will first inspect the CSL plant.

But CSL will be facing fierce competition from major U.S. suppliers. France's Sanofi Pasteur and GlaxoSmithKline PLC, based in London, are already planning to ramp up production.

Chiron Corp. in Emeryville, Calif., which is being acquired by Swiss drugmaker Novartis AG, is coming back on track after a production problem wiped out half of the U.S. flu vaccine supply last year. Another major supplier is MedImmune Inc., of Gaithersburg, Md., which makes a flu nasal spray.

Dr. Brian McNamee, CSL's chief executive who will be unveiling U.S. flu vaccine plans at the Merrill Lynch Global Pharmaceutical Biotechnology Conference in New York on Tuesday, argues that he can price his vaccines competitively and thus grab market share.

"We're very competitive and we're confident there is room for us in the marketplace," he said. "In Washington, there's a lot of interest in having another experienced player in the market."

McNamee said CSL provides geographical and seasonal diversity as a supplier -- Australia's flu season peaks in July and August, compared with January and February for the U.S. -- which gives the company leverage when another manufacturer experiences production problems.

CSL also is testing a prototype for a bird flu vaccine that could be ready within two years.

Dr. Robert Belshe, director of the Center for Vaccine Development at Saint Louis University in Missouri, said the country benefits from having another vaccine supplier.

"We're moving toward more and more uses of influenza vaccines," he said. "CSL is entering at a time when we see more vaccine demand. They see an economic opportunity and it makes sense."

About 86 million doses were produced for the current season, up from about 61 million in the 2004-05 flu season, according to the Centers for Disease Control and Prevention.

The CDC recommends flu vaccinations for groups most at risk of complications, including the elderly and people with weakened immune systems. About 5 percent to 20 percent of Americans get the flu each year, leading to 36,000 deaths and 200,000 hospitalizations annually, officials said.

Last month, the CDC said it may expand the flu shot recommendation to include most young kids.

Such expectations of higher demand -- including public fears about bird flu -- have encouraged manufacturers to drive up production.

Glaxo, which produced 8 million doses for this season, could ramp up production to as many as 20 million doses next year as a result of its acquisition of ID Biomedical, a Canadian vaccine maker.

Sanofi Pasteur, the main vaccine supplier for this season, broke ground last July on a vaccine plant in Swiftwater, Pa., to double capacity.

Overall, flu vaccine manufacturers could produce as many as 120 million flu shots next season -- breaching the high of 95 million reached in 2002.

By the end of the decade, U.S. usage could grow to 150 million a year, McNamee projected. He said CSL is aiming for a 10 to 15 percent market share -- or 15 million to over 20 million doses a year.

CSL's entry into the U.S. market will materially benefit earnings in 2008, McNamee said.

Copyright © 2006 Yahoo! Inc. All rights reserved. [Privacy Policy](#) - [Terms of Service](#) - [Copyright Policy](#) - [Ad Feedback](#)
Copyright © 2006 The Associated Press. All rights reserved. The information contained in the AP News report may not be published, broadcast, rewritten, or redistributed without the prior written authority of The Associated Press.