

Pharmaceutical Technology

Pfizer makes billions during the pandemic while paying low taxes – leading macroeconomic influencers

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Iglika Ivanova

Iglika Ivanova, an economist, retweeted an article on Pfizer profiting from its coronavirus vaccine, while pushing for lower taxes. The pharmaceutical company reported total profits of \$9.6bn in 2020 while paying an income tax rate of just 6.4%, up slightly from the even lower 5.4% tax rate it paid in 2019.

The company is expected to make profits worth \$4bn this year. This will primarily come from the \$15bn in sales of the Pfizer-BioNTech Covid-19 vaccine.

Other vaccine developers such as AstraZeneca and Johnson & Johnson stated that they would not take a profit from their vaccine but offered to sell them at cost. Moderna, on the other hand, stated that it would not enforce its Covid-19 patents during the pandemic.

Pfizer Canada has been pushing the federal government to introduce a wide range of tax breaks and concessions in the upcoming budget, including backing off on regulatory changes that would make drugs more affordable in the country.

Canadian researchers claim that Pfizer is already reporting steep decline in taxes yet is aggressively lobbying during the coronavirus pandemic for even more tax breaks and preferential concessions. The company has also reduced its spending in R&D to less than 1% of its sales, compared to other pharmaceutical companies in Canada.

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David Boaz

David Boaz, executive vice president of the Cato Institute, shared an article on whether Joe Biden can broker a Covid compromise. The best shot at a bipartisan bill is to focus on relief and not structural change, political scientist William A Galston.

The Covid-19 relief bill is the first test for the Biden administration, he writes. However, as disagreements have already begun, it will be a tough call for the President to pursue a bipartisan

support for its legislation. However, the broader call will be to try as much to reach a bipartisan agreement that will ultimately satisfy the core objectives outlined by him.

Although a compromise maybe a farfetched reality, measures to mitigate the immediate hardships, including money for vaccinations, testing and treatment for the Covid-19 disease enjoyed the largest support from both parties. Instead, measures to promote economic and social change, such as increasing the minimum wage to \$15 per hour, were least popular objectives. In addition, investments for the future such as the re-building and re-stocking the National Strategic Stockpile, was also widely agreed upon.

Eveline Adomait

Eveline Adomait, an economics professor at the University of Guelph, shared a Labour Force Survey on the month-to-month transition rates from employment in the US.

The chart highlighted that the ‘new’ perception of those having lost their jobs during the Covid-19 crisis and transitioning to unemployment are either on temporary layoff or seeking new job opportunities, was not true.

In fact, the survey revealed that in every month of the pandemic-induced economic crisis, starting from February to November 2020, job losers were more likely to transition out of the labour market altogether, except between April and May 2020.