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Chinese Vaccine Diplomacy in The Philippines and Its Impacts

Lucio Blanco Pitlo III*

A volunteer medical worker administers a dose of the Sinovac Covid-19 vaccine to a tricycle driver during a vaccination drive for economic frontliners, organised by the vice president's office and city government, in Manila on July 20, 2021. Photo: Ted ALJIBE, AFP.

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EXECUTIVE SUMMARY

- Improved bilateral relations paved the way for China’s vaccine diplomacy in The Philippines. Manila gained early access to critical jabs while Beijing received another endorsement for its global dose drive.

- President Duterte taking a Sinopharm shot and huge orders of Sinovac doses were votes of confidence for China. But reliance on Chinese jabs and continued tensions in the maritime flashpoint have stirred domestic unease.

- As the vaccination drive continues into next year, China is well placed to appeal to Filipino leaders and voters as a pandemic-tested partner. Incidents at sea, however, may undercut this aspiration.

- As new virus variants emerge and more international partners step up, China’s early mover advantage increasingly comes under challenge.
INTRODUCTION

Improved bilateral relations in recent years made The Philippines a key beneficiary of China’s global health outreach. Beijing’s pioneering medical assistance was critical in the early months of Manila’s fight against Covid-19. When China switched gears and embarked on a massive vaccine diplomacy, The Philippines once again became a recipient. Rapid mass production, proximity, less stringent logistical requirements, steady supply, and technology licensing for overseas production made Chinese vaccine overtures attractive to its neighbours, including The Philippines. China’s vaccine exports also drew other major country donors to compete in vaccine provision. Worries that Beijing may leverage its dose donations to deepen its influence among recipients compelled rivals to step up sooner. China’s health outreach gave it a platform to project the image of a benign and responsible neighbouring power in the lead-up to the May 2022 Philippine elections. Whether its gambit pays off remains to be seen.

Yet, despite the inroads made by China’s vaccine diplomacy, unease about growing reliance on Chinese vaccine supplies and possible strings attached persists. Opposition figures cite a possible linkage between the South China Sea disputes and Chinese jab shipments. Concerns were raised that Beijing may capitalize on Manila’s focus on pandemic response and growing demand for Chinese doses to consolidate and expand its position in the maritime flashpoint. To this end, the drive to diversify sources and the entry of more donors converge to offer The Philippines much legroom and avoid becoming too beholden to its big neighbour for its vaccination programme. It also tempers the influence that may come from Beijing’s health outreach and gives Manila ample space to push back on other contentious aspects of the relations.

A PIONEER PANDEMIC PARTNER THAT FORCED RIVALS TO STEP UP

China plays a crucial role in the Philippine pandemic response. It was the first to donate test kits and personal protective equipment and dispatch a team of medical experts to share its accumulated experience in dealing with the pandemic. It also donated cash, millions of face masks and other medical equipment and supplies. It was also the first to give Philippine military aircraft and vessels a special permit to fetch medical supplies from China. Aside from its national government, Chinese tycoons, enterprises, and local governments, especially those with twinning arrangements (sister cities, provinces) with their Filipino counterparts, stepped up to lend a hand. The timing of this intervention was critical as the country faced a dearth of local and international supplies, its health capacity stretched thin and with few foreign partners forthcoming.

China was also first to donate and sell government-procured vaccines to The Philippines. The arrival of 600,000 doses of Sinovac’s Coronavac began The Philippines’ national vaccine rollout in early March. A second batch of 400,000 jabs arrived later in the month. Amid rising Covid-19 cases, limited global vaccine supply and hurdles in procuring Western vaccines in the early months of the campaign against the unprecedented health crisis, China’s timely input enabled the country to inoculate its medical and security frontliners and priority at-risk groups. This was not lost to Manila, especially to President
Rodrigo Duterte who bared plans to make a final trip to China before stepping down from office just to convey his personal gratitude to his country’s big neighbour.\footnote{10}

Indemnity and advance payments have been sticking points in the country’s negotiations with foreign vaccine developers, delaying procurement\footnote{11} and raising the salience of Chinese alternatives. Unlike Pfizer and AstraZeneca, Sinovac did not require an indemnification clause before delivering supplies.\footnote{12} The highly politicized Dengvaxia controversy sent a chilling effect to many foreign pharmaceutical companies and complicated Manila’s efforts to purchase from big Western firms. The latter demanded immunity from suits and liabilities and for the host government to indemnify patients suffering adverse effects after getting inoculated.\footnote{13} In 2017, French drug company Sanofi Pasteur faced lawsuits and public backlash, and its officials were threatened with arrests due to harmful effects from its anti-dengue vaccine Dengvaxia, the administration of which was halted. Duterte also criticized Western drug firms for prioritizing profit even during a global health crisis by asking for advance payments from buyers.\footnote{14} These, and curbs on vaccine exports by developed countries, opened the doors for Sinovac to have the first crack in The Philippines’ Covid-19 vaccine market. This is despite being the third supplier to receive emergency use authorization.

Furthermore, unlike Pfizer and Moderna, Sinovac also has less demanding storage requirements\footnote{15} This contributed to reduced handling and transport costs. Chinese deliveries also arrived regularly, picking up the volume from 600,000 donated jabs in late February to as high as 11 million in August, with an average of 5 million doses per month. Openness towards technology licensing has been another upshot in working with Chinese vaccine makers. Sinovac, for instance, inked partnerships with Indonesian state-owned BioFarma\footnote{16} and Malaysia’s Pharmaniaga\footnote{17} to co-produce Covid-19 vaccines to supply domestic needs and serve the Southeast Asian market. A similar arrangement for The Philippines was discussed in a telephone call last August between Presidents Duterte and Xi Jinping.\footnote{18} Duterte is supportive of the idea, describing it as an “answered prayer.”\footnote{19} But without genuine technology transfer, local production is still a distant prospect and the country will still be dependent on bulk supplies of Chinese doses.

China’s vaccine diplomacy appeals to strong global undercurrents for vaccine access equity. It enhances the country’s international profile as a major power that keeps its commitment and bears sacrifices to help less privileged countries. Beijing’s vaccine deliveries implement President Xi’s pledge during the May 2020 World Health Summit that Chinese jabs will be made global public goods.\footnote{20} Beijing permitted exports then, despite having low vaccination rates at home compared to other developed and emerging economies. In contrast, other donors only came into the fray much later after achieving substantial progress in their domestic vaccination programmes. In the Philippine case, the first non-Chinese bilateral vaccine donation from Japan would not come until early July, over four months after the initial donated Sinovac doses had arrived.

Moreover, many of the donations from advanced countries were part of their unused or surplus inventory as many had oversubscribed orders, a phenomenon decried by many countries from the global South as hoarding. Duterte railed against this in his address before
the virtual 76th session of the United Nations General Assembly. The firebrand leader said that:

There is a man-made drought of vaccines ravaging poor countries. Rich countries hoard life-saving vaccines, while poor nations wait for trickles. They now talk of booster shots, while developing countries consider half-doses just to get by. This is shocking beyond belief and must be condemned for what it is – a selfish act that can neither be justified rationally nor morally.\(^{21}\)

Against this bleak outlook, China’s dose outreach won support from The Philippines.

China’s vaccine diplomacy was seen as a vindication of friendly bilateral relations pursued by the Duterte administration. The vaccine donations and commercial shipments enhanced China’s image and appealed to a neighbour with which it has longstanding territorial and maritime disputes with. This is despite concerns about the efficacy of Chinese jabs and worries about the influence that comes with them. But initial hesitation against taking Chinese shots soon dissipated as more people were immunized without experiencing adverse effects. Sinovac eventually became one of the most preferred vaccine makers among adult Filipinos, according to a survey.\(^{22}\) Meanwhile, to allay suspicions about alleged Chinese ulterior motives, Duterte also reassured his constituents that Chinese shots do not come with strings attached.\(^{23}\) That its other neighbours, including fellow South China Sea littoral states, likewise procured Chinese vaccines, even producing under license, without necessarily eroding their defense posture in contested waters, also helped alleviate reservations by some domestic quarters.

In a show of confidence in Chinese vaccines, Duterte received Sinopharm jabs under a compassionate use permit.\(^{24}\) His security escorts had received the same shots much earlier.\(^{25}\) The country also made huge orders of Sinovac doses. At 43.5 million doses as of October 24, it holds the largest share in the country’s vaccine inventory, almost twice as much as the next supplier, Pfizer.\(^{26}\) However, the threat of new virus variants and the advent of other donors, notably the United States, Japan and countries in Europe, will expectedly challenge Beijing’s early lead.
### Philippine Covid-19 Vaccine Inventory as of October 24, 2021

<table>
<thead>
<tr>
<th>Vaccine</th>
<th>Purchase</th>
<th>Donations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinovac</td>
<td>41,500,000</td>
<td>2,000,000</td>
<td>43,500,000</td>
</tr>
<tr>
<td>Sinopharm</td>
<td>1,100,000</td>
<td></td>
<td>1,100,000</td>
</tr>
<tr>
<td>AstraZeneca</td>
<td>9,387,200</td>
<td>2,361,840</td>
<td>11,749,040</td>
</tr>
<tr>
<td>Pfizer</td>
<td>18,727,450</td>
<td>5,268,650</td>
<td>23,996,100</td>
</tr>
<tr>
<td>Moderna</td>
<td>6,919,000</td>
<td>3,000,000</td>
<td>9,919,000</td>
</tr>
<tr>
<td>Janssen</td>
<td>3,200,000</td>
<td></td>
<td>3,200,000</td>
</tr>
<tr>
<td>Sputnik V</td>
<td>1,690,000</td>
<td></td>
<td>1,690,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>78,223,650</strong></td>
<td><strong>16,930,490</strong></td>
<td><strong>95,154,140</strong></td>
</tr>
</tbody>
</table>

Source: Rappler, CNN Philippines

China’s vaccine diplomacy also forced other major donors to compete sooner for fear of ceding more ground to Beijing. This, in turn, is a boon to Manila’s desire to spread out its portfolio of providers. Outside COVAX, bilateral partners upped their game beginning July. Japan fired the opening salvo, donating 1.1 million AstraZeneca doses on July 8. The United States followed suit, giving 3.2 million single-shot Janssen doses on July 16-17, barely two weeks before the visit of Defense Secretary Lloyd Austin to Manila. Four days after Austin’s departure, Washington donated 3 million more Moderna doses. The day after China announced another donation of 1 million Sinovac jabs, Japan, on October 15, pledged to give another 1.96 million AstraZeneca doses, while Germany gave 844,800 AstraZeneca shots via COVAX on the same day.
WILL THE EARLY BIRD CATCH THE WORM?

While China’s vaccine diplomacy did break some ground in The Philippines, doubts linger. Despite having Beijing at its back, the country was still a laggard in Southeast Asia in commencing vaccination, suggesting internal fissures within the government on which vaccines to use for the debut rollout. The purported botched handling of the initial order for Pfizer jabs gave rise to rumours that the administration was giving way to Sinovac despite its lower efficacy. It did not help that Chinese vaccine makers failed to secure emergency use authorization (EUA) earlier from The Philippines’ Food and Drug Administration due to inadequate documents submitted, including vital clinical trials. Notwithstanding the urgency of securing vaccines and Duterte’s preference, Chinese vaccine developers have not been exempted from going through the appropriate processes, which regrettably remained cumbersome despite the exigency of the times. Had Sinopharm got its EUA sooner, the vaccination of members of the Presidential Security Guard and Duterte himself would not have courted much controversy. Chinese dose donations could have also come sooner. The impression that Chinese vaccine producers could cut corners because of presidential imprimatur would have been counterproductive to both China’s vaccine outreach and the Philippine government’s vaccination plan.

The lack of transparency about the prices of Chinese vaccines fueled allegations of overpricing, if not perception of failure on the government’s part to negotiate better rates with producers. Varying figures cited and wide discrepancies in quoted prices from other countries added to the speculation. Government officials doubling down on non-disclosure agreements when asked during Senate hearings only heightened suspicions. This reveals the tightrope in balancing commitment to commercial contracts and demands for public scrutiny.

Furthermore, despite the hype, China’s vaccine donations to The Philippines still pales in comparison to some of its neighbours where Beijing’s clout is arguably stronger. Cambodia,
for instance, bagged 9 million pledged donated doses, Myanmar got six million, and Laos got five million.\(^{31}\) Vietnam, despite more contentious relations with China, likewise obtained 3 million promised jabs, equal to that for The Philippines.\(^{32}\) Against its huge orders, Chinese vaccine grants seem minuscule. With sales of 48 million doses, Manila is among the world’s biggest buyers of Chinese vaccines\(^{33}\) and a 3 million jab gratis seems too small a consolation. The US, which just sold 24.4 million doses thus far, even gave more — 11.4 million jabs. To this end, news of Beijing’s pledge to donate two million more doses was warmly welcomed.\(^{34}\)

<table>
<thead>
<tr>
<th>Philippines’ top bilateral vaccine donors*</th>
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<tbody>
<tr>
<td><strong>Country donor</strong></td>
</tr>
<tr>
<td>United States</td>
</tr>
<tr>
<td>China</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>UK</td>
</tr>
<tr>
<td>UAE</td>
</tr>
<tr>
<td>Brunei</td>
</tr>
</tbody>
</table>

*Based on deliveries as of October 24, 2021

Source: Rappler, CNN Philippines

China’s early mover advantage is also being eroded by the fact that more international supplies have become available. After reaching its all-time peak thus far of 11 million doses last August, Chinese vaccine shipments ebbed, while the share of non-Chinese vaccine
arrivals gathered pace and outstripped Chinese imports by a wide margin even before the end of October.

<table>
<thead>
<tr>
<th>Month</th>
<th>Chinese vaccines</th>
<th>Non-Chinese vaccines</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>600,000</td>
<td>0</td>
</tr>
<tr>
<td>March</td>
<td>1,400,000</td>
<td>525,600</td>
</tr>
<tr>
<td>April</td>
<td>1,500,000</td>
<td>0</td>
</tr>
<tr>
<td>May</td>
<td>2,000,000</td>
<td>2,303,450</td>
</tr>
<tr>
<td>June</td>
<td>6,500,000</td>
<td>2,629,600</td>
</tr>
<tr>
<td>July</td>
<td>6,500,000</td>
<td>8,809,140</td>
</tr>
<tr>
<td>August</td>
<td>11,100,000</td>
<td>6,939,830</td>
</tr>
<tr>
<td>September</td>
<td>9,500,000</td>
<td>9,871,080</td>
</tr>
<tr>
<td>October</td>
<td>5,500,000</td>
<td>19,475,440</td>
</tr>
<tr>
<td>Total</td>
<td>44,600,000</td>
<td>50,554,140</td>
</tr>
</tbody>
</table>

Source: Rappler

Finally, despite repeated reassurances, fears continue to grow that China’s vaccine diplomacy may either divert attention away from its activities in the South China Sea or dither Manila’s resolve in defending its maritime interests. This is especially so as Beijing continues to undertake steps to cement its position in the disputed strategic waterway. These include fortifying its artificial island bases, challenging routine patrols, resource activities and efforts by other claimants to upgrade facilities in features they occupy, and enforcing new regulations such as an expansive unilateral fishing ban and a coast guard law that
greenlights the use of force against foreign vessels. Such actions only reinforce the notion that while Beijing extends goodwill, it also engages in disaster opportunism. Lawmakers argue that while the country should acknowledge Chinese dose donations, it should continue to protest against Chinese intrusions into Philippine waters.35

The backlash from China’s ill-conceived attempt to foster pandemic-era solidarity through a controversial music video sponsored by its mission in Manila reveals the Filipino public’s wariness about Chinese benevolence. Notwithstanding its intention, the poorly titled “Iisang Dagat” (One Sea), stirred domestic sensitivities about the two countries’ competing sea claims and inadvertently gave a political colour to China’s humanitarian assistance to its neighbour.36

Duterte quickly brushed off worries that the country was wavering in its stance. He said that while China had not asked for anything in return for its vaccine supplies, Chinese ships remained present in the West Philippine Sea. As such, he vowed to likewise maintain vessels in the area and would not order them back.37 The country’s continuing naval, coast guard and air force modernization, unprecedented construction upgrades in Pag-Asa (Thitu), its largest administered feature in the flashpoint, and filing of numerous diplomatic protests attest that, rhetoric and optics aside, pandemic cooperation has not diluted the country’s determination to safeguard its maritime interests.

China’s vaccine diplomacy benefited The Philippines, and friendly ties undoubtedly played a key part in facilitating it. But Manila’s endorsement also boosted Beijing’s global dose drive, adding another feather to its cap. Both sides thus reaped mutual gains.

With vaccination likely to go on next year, the stage is set for China to appeal among Filipino candidates and voters as a pandemic-tested partner.38 However, its activities in the West Philippine Sea and untoward sea incidents can quickly spoil that aspiration. This shows how tenuous China’s influence is on The Philippines despite over five years of enhanced political and economic relations and timely relief in trying times. In extending critical medical assistance and vaccines to its neighbour, China was the early bird. Whether it catches the worm, only later events will tell.

Embassy of the People’s Republic of China in the Republic of the Philippines. Chinese Ambassador Huang Xilian says China is supplying nearly 10 million doses of vaccines to the Philippines in August, August 20, 2021. [source]

CNN Philippines Staff. China donates ₱1-million cash aid, PPEs to Filipino medical frontliners. [source]

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Chinese companies stand behind Philippines in fight against COVID-19: ambassador. [source]

Sophia Tomacruz. Guangzhou donates masks, thermometers to sister city Manila. [source]

Department of Health. DOH, NTF grateful to hospitals and vaccinees as PH inoculates 756 on first day of Covid-19 vaccine rollout. [source]

Duterte eyes another China visit before his term ends: Palace. [source]

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Department of Health. Know your vaccines (Vaccine matrix: current evidence), Updated August 16, 2021. [source]

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32 Bridge Consulting.

33 Bridge Consulting.
38 Dakila Kim P. Yee. A Trojan Horse: China’s Vaccine Diplomacy and the internal dynamics of the COVID-19 Vaccine Rollout in the Philippines. *Criticalasianstudies.org* Commentary Board, May 5, 2021. [https://doi.org/10.52698/JJLT2807](https://doi.org/10.52698/JJLT2807)