

# Anti-apartheid hero wins leadership battle

JOHANNESBURG

## South African businessman and Mandela protégé is poised to be next president

BY NORIMITSU ONISHI

It was a humbling rebuke to President Jacob Zuma. The choice of Cyril Ramaphosa to lead South Africa's governing party amounts to a victory for reformers in the African National Congress who want to root out corruption and woo back foreign investors.

Mr. Ramaphosa was a protégé of Nelson Mandela, who pushed unsuccessfully to name him as his successor in the late 1990s. But after a close vote on Monday, Mr. Ramaphosa, an anti-apartheid hero and a business tycoon, is now poised to take over the party and, in 2019, win the presidency.

His supporters say he will bring a much-needed boost to a party and a nation that have been deeply tarnished by the eight-year rule of Mr. Zuma. Mr. Ramaphosa beat out Nkosazana Dlamini-Zuma, a veteran politician and Mr. Zuma's former wife, for the job.

"Ramaphosa has a better chance of renewing confidence, not only in the markets but also inside the A.N.C., where reformers may now feel they have a place," said William Gumede, the executive chairman of the Democracy Works Foundation, a good-government advocacy group. "The mood in this country in the last couple of years has been so depressed that he'll bring a new energy."

But as a wealthy member of Mr. Zuma's government who was largely silent in the face of cronyism and corruption, Mr. Ramaphosa is seen by critics as more a creature of that system than an honest broker and corruption fighter.

"Ramaphosa doesn't have a reputation for being gung-ho," said Steven Friedman, a political analyst at the University of Johannesburg. "He's not the kind of musclemen politician that will go in and clean up. He's more of a conciliator and bridge mender. There are all these wild expectations now."

Besides the vote for party president, the A.N.C. delegates voted on five other top party positions. The six posts were evenly split between the two factions.

Mr. Zuma, who will cease to be party leader this week but whose term as the country's president does not end until 2019, will leave his successor a number of problems, but one above all: a once-heroic liberation party that has now become associated with graft, cronyism and incompetence and that has been losing core supporters.

As delegates waited for the official results to be announced Monday evening in Johannesburg, Mr. Ramaphosa could

be seen joyfully greeting and hugging well-wishers on the stage and posing for selfies. Ms. Dlamini-Zuma mostly sat expressionless. President Zuma sat sipping a cup of tea.

As expectations of a Ramaphosa victory heightened, South Africa's currency, the rand, gained sharply — reflecting the business community's preference for him.

When the results were finally announced, Mr. Ramaphosa's supporters erupted in celebration while his rival's backers sat in stony silence.

With his victory, Mr. Ramaphosa is almost certain to become South Africa's next president, thanks to the A.N.C.'s dominance in Parliament, which chooses the nation's leader. A Ramaphosa victory, experts and allies have said, will strengthen the A.N.C. before the elections in 2019.

"He's always been, in his history, an incredibly smart negotiator," said Barbara Hogan, an anti-apartheid veteran who served in Mr. Zuma's cabinet for two years and supported Mr. Ramaphosa. "He's always got the long view in mind."

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Largely because of older black voters who intimately remember the A.N.C.'s heroic past, the party is still considered the favorite to win the next general election. But party leaders have been alarmed at the A.N.C.'s rapid decline, and Mr. Zuma is so widely discredited that party leaders could replace him with Mr. Ramaphosa before the 2019 elections to improve the A.N.C.'s chances.

In last year's local elections, the party lost control over nearly all of the nation's major urban areas, where disillusioned middle-class black voters rebelled against the party.

The A.N.C. officials are hopeful the party can regain its previous stature under Mr. Ramaphosa, whose core supporters are precisely in those categories — city dwellers and business owners, along with the black middle class — that had begun to drift away.

"We don't want to be relegated to a rural party," said Gwede Mantashe, the A.N.C.'s secretary general and a Ramaphosa ally. "We want to regain the metros and be a strong A.N.C."

The two contenders embodied opposing strains in the A.N.C., the heroic 105-year-old liberation movement that, in recent elections, clung increasingly to its glorious past to bring voters to the ballot box.

Under Mr. Zuma, whose presidency has been marred by a series of personal and political scandals, the A.N.C. had be-



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African National Congress delegates, top, after voting Monday on a party leader. The winner, Cyril Ramaphosa, at a meeting Saturday.

come a patronage machine that rewarded the faithful and made them dependent on the party.

Neither candidate offered a clear vision or detailed program on how to ad-

dress the myriad problems afflicting South Africa, the continent's most sophisticated economy but a deeply unequal one.

A skilled union organizer, Mr. Rama-

phosa served as Mr. Mandela's key negotiator in the talks that led to the end of apartheid in 1994.

He was Mr. Mandela's choice to become deputy president and eventually

his successor as the nation's leader. But the powerful coterie of anti-apartheid leaders in exile pressed successfully for Thabo Mbeki.

Mr. Ramaphosa turned down Mr. Mandela's offer to become foreign minister and eventually entered the private sector, though he remained on the A.N.C.'s national executive committee.

Using his ties to the party, Mr. Ramaphosa quickly became one of the richest businessmen in the country and on the continent. He acquired interests in many areas, including South Africa's McDonald's restaurants, and served on a multitude of corporate boards.

He was on the board of Lonmin, a mining company, when the police shot and killed 34 wildcat strikers at a platinum mine in Marikana in 2012, in the deadliest killing of civilians since the end of apartheid. Though an official inquiry into the massacre absolved him of guilt, it found that he had tried to intervene with the authorities on behalf of the company.

"The terrible events that have unfolded cannot be described as a labor dispute," Mr. Ramaphosa wrote in an internal email after the first 10 strikers had been killed. "They are plainly dastardly criminal and must be characterized as such. In line with this characterization, there needs to be concomitant action to address this situation."

Mr. Ramaphosa later apologized for the language he used but said that he was trying to prevent more deaths.

To many, Mr. Ramaphosa became the symbol of an A.N.C. elite that had enriched itself by betraying the people it had once promised to serve. In another episode in 2012, Mr. Ramaphosa was widely criticized for bidding \$2 million for a prize buffalo cow at a livestock auction.

He apologized for that as well. "It is a mistake in the sea of poverty. I live in a community," he said. "The damage has been done, I will live with it."

That same year, Mr. Ramaphosa returned to politics, and he has served since 2014 as deputy president under Mr. Zuma.

Mr. Ramaphosa supported Mr. Zuma, staying largely silent as the president's ethical problems and erratic policies damaged the economy.

More recently, though, Mr. Ramaphosa began to distance himself from Mr. Zuma. Last month, he gave a long speech on the economy, focusing on the importance of fighting corruption.

His supporters portrayed him as the man capable of righting the A.N.C. Jackson Mthembu, the party's chief whip, said on Twitter that he had cast his ballot for Mr. Ramaphosa and "other five incorruptible leaders" for the party's top six posts. "My vote is to save" the A.N.C. "and my country. We must!"

But to others, it is not yet clear that an insider can dismantle the very system that so richly rewarded him.

# Dengue vaccine maker tacks on a warning, igniting anger

DENGUE, FROM PAGE 1

The Philippine health secretary, Francisco T. Duque III, said the government is demanding a refund from Sanofi for the 3.5 billion Philippine pesos, or about \$69 million, it spent on the vaccine. It is also asking the company to set up a fund to cover the treatment of any children who develop severe dengue.

"It's been very devastating for almost the entire country," said Dr. Leonila Dans, an epidemiologist and pediatrician at the University of the Philippines Manila who had been an early critic of the vaccination program. "Even those who are not vaccinated are very emotional about it, because they feel for the kids who had the vaccine."

The episode could prove to be a cautionary tale for pharmaceutical companies, who have already been reluctant to invest in vaccines and drugs that are used mainly in the developing world.

Dr. William Schaffner, an infectious disease expert at Vanderbilt University in Nashville, said, "It's hard to think of another circumstance when a major public health program was introduced with this much controversy." The problems with the vaccine rollout have "cast a pall" on other efforts to develop dengue vaccines, he said, and public health experts are worried that the distrust could spill over to other vaccination programs.

Sanofi has said that the risk to people who get the vaccine is still extremely small. Moreover, in those who have previously been infected, the vaccine works well. In people older than 9, Dengvaxia is about 66 percent effective. It is even more effective — 81.9 percent — in those over 9 who were previously infected.

But that has not allayed fears in the Philippines, where Sanofi has said 10 percent of the children who were vaccinated probably had no prior exposure to the virus.

Dr. Su-Peung Ng, the head of medical affairs for Sanofi Pasteur, the company's vaccine division, said in an interview that "there is no cause for alarm," adding, "those vaccinated in high-exposure settings are much more protected than those who were not."

The World Health Organization, which published guidelines on how to use the vaccine in 2016, has distanced itself. "We did not give a blanket recommendation that the vaccine should be introduced," said W.H.O.'s representative in the Philippines, Dr. Gundoo Weiler. "This is a decision for governments and



Iran Lustre broke out with these marks, left, after completing his vaccinations against dengue. It was not clear if he caught the disease or chicken pox, his family, right, said.



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governments alone."

Dengvaxia was first approved in 2015, and Brazil and the Philippines initiated government-sponsored vaccination campaigns. Brazil's government said it would continue its program but that it would follow Sanofi's recommendation to avoid vaccinating people who have never had dengue.

The company has told investors that it expects to lose 100 million euros, or about \$117 million, as a result of diminished sales. Sanofi is one of the world's biggest pharmaceutical companies, reporting sales of nearly €34 billion in 2016. Two other dengue vaccines are in late-stage development and could threaten future sales of Dengvaxia if they show better results.

"It's a huge disappointment and it's a big lesson in humility," said Michel De Wilde, the former senior vice president of research and development at Sanofi Pasteur, who oversaw the vaccine's development until he left the company in 2013.

The illness, also called breakbone fever, can be excruciating, with high fevers, headaches, muscle and joint pains and lingering weakness. Sometimes the disease causes hemorrhage or shock, which can be fatal.

Some deadly cases have been linked to the fact that there are actually four different types of dengue virus. Research has found that severe illness can occur in people who had one type and

later become infected by another. The body's immune response to the first virus is thought to make the second illness worse, a discovery credited to Dr. Scott B. Halstead, who has been studying dengue since the 1960s.

In February 2016, as the Philippine program was getting underway, Dr. Halstead warned in a scientific article that the vaccine could put people at risk if they had not previously had dengue. He said the issue was well known. "We've been talking about this for years," he said recently. "It isn't any hidden secret."

He and others pointed to a trial of Dengvaxia in children, published in 2015, that seemed to confirm fears that the vaccine could be harmful to those with no previous exposure. The potential danger is not from the vaccine itself, but from the immune response to it. The researchers found that in children under 9 years old, those who were given Dengvaxia and later caught dengue were more likely to be hospitalized for severe illness than those who had not been vaccinated. The finding originally led Sanofi to restrict Dengvaxia to children 9 and older, although the company did not concede that the higher hospitalization rate among younger children was due to their lack of prior dengue exposure. A panel set up by the World Health Organization recommended that the vaccine be used only in places where the incidence of dengue was high.

Brazil decided to limit its government program to people who are over age 15.

Even as Sanofi pushed back against researchers' warnings, it ordered another analysis of the data.

Dr. Ng, the Sanofi official, said that before the additional analysis, "there wasn't a robust way in which we could answer that question. It's only this new analysis that has given us this insight."

**"If we wait for the perfect vaccine, we will probably be talking about this 50 years from now."**

The new analysis found that lack of past infection was tied to an increased risk of severe dengue. But the risk was small — two extra cases per 1,000 previously uninfected people vaccinated, over five years of follow-up. And there were no deaths reported.

But how to tell if someone has had dengue? Doctors and patients cannot always tell because symptoms can be vague. No rapid test exists. Current tests take a few days to produce results, and may have trouble distinguishing dengue from Zika, a related virus. Trying to use them would further complicate a vaccination process that is already cumbersome, because it requires three visits. Sanofi has said it will invest in efforts to develop a better test.

At a Philippine Senate hearing on Dec. 11, Thomas Triomphe, a regional Sanofi official, emphasized the vaccine's benefits and said that to permanently remove it would leave 90 percent of the population "at the mercy of an epidemic which has been found to be preventable." But parents feel they have traded one risk for another that might be worse. Maria Brenal Bernal said her daughter, Reyna Rose, had been sick on and off since receiving her first shot of Dengvaxia in August.

Mrs. Bernal had traveled to the Philippine Health Department in Manila, hoping for help. "Her gums were bleeding," Mrs. Bernal said. "She has fever. We don't know if it's dengue, but she has been sick about a week."

The Philippine Health Department has said it will cover the expenses of any child hospitalized for severe dengue.

Sanofi saw the Philippines as a key market. In the fall of 2016, the company initiated a "disease awareness" campaign that did not name Dengvaxia but directed people to a Facebook page where Sanofi was mentioned.

The ad concluded: "Ask your doctor about dengue vaccination today."

The Philippine Food and Drug Administration ordered Sanofi to halt its campaign and in October fined Sanofi and Watsons, a drugstore chain that had started its own promotional campaign, 5,000 Philippine pesos, or about \$100, for violating advertising laws.

The enthusiastic rollout had its critics, including local health experts who raised the same safety questions as Dr. Halstead. Some pointed to the vaccination campaign's cost of 3.5 billion Philippine pesos, more than the rest of the country's immunization program combined, according to local news reports.

Still, countries like the Philippines, with endemic dengue, were eager to have a vaccine. "There was a lot of pressure for Sanofi to proceed, and of course they wanted to make money from it," said Vincent Racaniello, a professor of microbiology and immunology at Columbia University's College of Physicians and Surgeons in New York.

In 2016, Dengvaxia brought in €55 million, which fell far short of the €200 million that the company had previously estimated. Sanofi has recorded €22 million in sales of Dengvaxia for the first three quarters of this year.

Experts in infectious diseases say the vaccine is too valuable to be abandoned.

"If we wait for the perfect vaccine, we will probably be talking about this 50 years from now," said Duane Gubler, an emeritus professor at Duke-NUS Medical School in Singapore, who favors using the vaccine, especially where dengue is highly endemic. He is one of the inventors of a competing dengue vaccine made by Takeda and has consulted in the past for Sanofi.

The Takeda vaccine and another by the United States National Institutes of Health, which will be mainly sold where Merck, could be approved for use soon.

According to the research so far, the American vaccine, which is administered in a single dose, "gives a very potent response against all four of the serotypes," said Dr. Anthony S. Fauci, the director of the National Institute of Allergy and Infectious Diseases, which is overseeing the vaccine's development.

Some analysts said Sanofi's struggles could have a chilling effect on investment in vaccines, which are greatly needed in developing countries.

"I think anybody who deals in emerging markets noticed this one," said Les Funtleyder, a health care portfolio manager at E Squared Capital Management who invests in domestic and emerging markets. He said that many investors were likely to "ask the big companies, why are you doing this? It's like, all risk, no reward."

Felipe Villamor contributed reporting to this article from Manila.