Hyderabad, Mar. 6 (IANS): Amid growing concern over avian influenza, two major pharma companies - Novavax Inc. and Bharath Biotech International - announced on Monday a tie up to develop a pandemic influenza vaccine for India and Southeast Asian markets.

Under the agreement, Bharat Biotech will fund all pre-clinical and clinical development work with Novavax and be responsible for the commercialisation of the single dose vaccine. In return, Novavax will receive unrestricted access to all pre-clinical and clinical data and a royalty on sales.

Rahul Singhvi, president and CEO of Novavax, said that Novavax would use its Virus Like Particle (VLP) technology to develop the vaccine. VLP uses recombinant protein to imitate the structure of a virus to provide protection without the risk of infection or disease, he told a news conference.

The Nasdaq-listed Novavax has already completed the VLP trials in mice and now plans to undertake the human trials through Bharat Biotech.

'Bharat Biotech has chosen Novavax to develop, produce and distribute a vaccine against H5N1 and other strains of avian influenza for the Indian population,' Singhvi said.

There are 16 HA (haemaglutinin) and NA (neuraminidase) sub-types of influenza viruses which are known to infect poultry. A combination of these sub-types could begin infecting human populations,' said Krishna M. Ella, founder of Bharat Biotech.

Pointing out that pandemic influenza had killed 100 million people in 1918, he warned that a pandemic now could result in the death of 175 to 300 million people all over the world.

The alliance between the two companies will be overseen by a steering committee chaired by Richard Klausner, eminent scientist, former executive director of the Bill and Melinda Gates Foundation and former director of the US National Cancer Institute.

'The World Bank estimates that pandemic flu could cost the global economy $1 trillion. We are not creating a panic but we should be prepared to deal with a pandemic,' said Klausner, who is also a special advisor to the government of India and Novavax Inc.

M.K. Bhan, secretary, department of biotechnology, is on the steering committee. The department will provide enabling support to the alliance.

Headquartered in Malvern, Pennsylvania, Novavax is a speciality biopharmaceutical company engaged in the research, development and commercialisation of proprietary products.

Located in Genome Valley near Hyderabad, Bharat Biotech is a multidimensional biotechnology company specialising in product-oriented research, development and manufacturing of vaccines and bio therapeutics. India has reported cases of avian flu among chickens in Maharashtra and Gujarat states, leading to the culling of thousands of chicken around the affected areas.