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Distribution of a COVID-19 Vaccine: Whose Interests Take Priority?

In September 2020, ImmunVXⁱ was one of many companies attempting to develop an effective vaccine against COVID-19. As a result of its long-term efforts in research, the company was among the leaders already in phase 3 trials with an RNA vaccine.ⁱⁱ The vaccine showed good results in animal challenge studies and consistent levels of neutralizing antibodies in human phase 2 studies. The company estimated that the vaccine could be approved and available in the first or second quarter of 2021 if the phase 3 results confirmed an effective vaccine with an acceptable side-effect profile.

The company's stock was publicly traded on the NASDAQ exchange. Headquartered in Ireland with research centers in the United States, Germany, and China, ImmunVX had made new versions of vaccines for childhood and adult diseases. It sold them in multiple countries and had made a corporate value of ensuring that some of its vaccines were sold in low- and middle-income countries at local market prices. The company had established relationships with major philanthropic organizations and the global Vaccine Alliance (Gavi) to further ensure the availability of vaccines, especially in low- and low-middle-income countries. ImmunVX had a limited manufacturing capability in the United States but had greater capacity in Australia, Brazil and the United Kingdom. The company also used contract manufacturing in India and China for relatively low-value vaccines.

ImmunVX had never paid a dividend to investors. In the past two years its board of directors had made increasing profits a key strategic initiative in order to create a significant and sustained increase in the stock price and to pay down the company's substantial debt from its R&D and acquisitions. The board had also created an incentive plan for all employees (not just the senior executives) based on increasing profit targets.ⁱⁱⁱ

ⁱ ImmunVX is a fictional company.

ⁱⁱ RNA vaccines are faster and cheaper to produce than traditional vaccines, and are also safer for the patient because they are not produced using infectious elements. For more information visit: <https://www.phgfoundation.org/briefing/rna-vaccines>.

ⁱⁱⁱ In the United States, for example, ImmunVX increased the match to the employee's contribution to their 401(k) retirement plan based on profit levels, and paid in company stock. In other countries, an annual bonus (13th month paycheck) was based on profit targets.

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