

***CED Public Policy Watch
Weekly News Round-up
January 20, 2023***

- 1. TREASURY SECRETARY TO VISIT CHINA**
- 2. US BEGINS “EXTRAORDINARY MEASURES” TO ADDRESS DEBT CEILING**
- 3. DEVELOPMENTS ON UKRAINE**
- 3. RETAIL SALES DECLINE**
- 4. INDUSTRIAL PRODUCTION DECLINES**
- 5. BEIGE BOOK SHOWS SLOWING GROWTH**
- 6. INITIAL UNEMPLOYMENT CLAIMS FALL SHARPLY**
- 7. EUROPEAN RESPONSE TO US INFLATION REDUCTION ACT**
- 8. FIRST SMALL MODULAR NUCLEAR DESIGN APPROVED**
- 9. NEW YORK CITY NURSING STRIKE ENDS WITH TENTATIVE AGREEMENT**
- 10. NTIA, FCC REJECT CALLS FOR ADDITIONAL TIME TO CHALLENGE BROADBAND MAPS**
- 11. STATE EDUCATION INITIATIVES**
- 12. CHINA’S POPULATION DECLINES; JAPAN TO PROPOSE NEW POLICIES**
- 14. MONKEYPOX UPDATE**
- 15. PANDEMIC NEWS**
- 16. COUNTRY SPOTLIGHT: CHINA**

1. TREASURY SECRETARY TO VISIT CHINA

After meeting on the margins of the World Economic Forum with Chinese [Vice Premier Liu He](#), the Treasury Department announced that Secretary Janet Yellen will visit China, and Chinese officials are expected to visit the US, in a sign that both countries are working to improve relations. Beginning her meeting with the Vice Premier, Yellen [said](#) that “[w]hile we have areas of disagreement, and we will convey them directly, we should not allow misunderstandings, particularly those stemming from a lack of communication, to unnecessarily worsen our bilateral economic and financial relationship.” The Vice Premier responded that “[r]ight now, it seems that we do face some problems, but as President Xi said, we only have one planet Earth and there are always more solutions than problems [.]” In addition, Secretary of State Antony Blinken is expected to visit China soon, though no date has been announced.

2. US BEGINS “EXTRAORDINARY MEASURES” TO ADDRESS DEBT CEILING

Thursday, the Treasury Department [began](#) taking “extraordinary measures” as the United States formally [reached](#) its [debt ceiling](#) of \$31.4 trillion, as it had announced in a [letter](#) to Congress last Friday. Treasury Secretary Janet Yellen sent another [letter](#) to House Speaker Kevin McCarthy (R-CA), noting that because of reaching the statutory debt limit, Treasury would not invest the portion of certain government civil service and Postal Service retirement funds “not immediately required to pay beneficiaries,” beginning a “debt issuance suspension period” from January 19 to June 5, 2023. This effectively moved these Federal obligations off government balance sheets temporarily. She noted that her “predecessors have declared debt issuance suspension privileges under similar circumstances.”

While the “X date” after which the US would not be able to pay any bills can [change](#) based on actual receipts and expenditures of the government, the letter indicates that it is unlikely to be before June 5,

giving Congress some time to address the issue and raise the debt ceiling. Secretary Yellen has [said](#) that a default by the US could cause “irreparable harm to the US economy.”

In response to Secretary Yellen’s letter, Senate Majority Leader Charles Schumer (D-NY) and House Minority Leader Hakeem Jeffries (D-NY) [called](#) for a quick resolution to the debt ceiling issue in a joint statement. However, a debt ceiling deal will require at least some bipartisan cooperation. House Speaker Kevin McCarthy (R-CA) [stated](#) that an increase in the debt limit would need to be paired with fiscal reforms limiting spending, and House Republicans began to [plan](#) a set of instructions for the Treasury Department to prioritize payments, including interest on the national debt, if there is no agreement to increase the debt ceiling. Senator Joe Manchin (D-WV) [suggested](#) that Congress could borrow some ideas from the 2010 Bowles-Simpson commission on the debt and tie implementation of them to increasing the debt ceiling, though he did not suggest cutting entitlement programs.

3. DEVELOPMENTS ON UKRAINE

Military developments: General Mark Milley, Chairman of the US Joint Chiefs of Staff, met with his Ukrainian counterpart, General Valery Zaluzhny, at an undisclosed location in Poland. A US military source [told](#) the press that “[i]t makes a difference” when “two very important military officials look at each other in the eye when they talk about very important topics.” NATO Airborne Warning and Control System (AWACS) planes [arrived](#) in Romania to assist in monitoring Russian military activity. The flights will occur solely over NATO territory, not Ukraine. Russia will [reorganize](#) its military command structure, including establishing new commands in northern Russia near the border with Finland, by 2026 and expand its forces from 1.15 million to 1.5 million, according to Defense Minister Sergei Shoigu. Shoigu also said that “self-sufficient” Russian units would be placed in Ukrainian territories that Russia has annexed. A Russian missile [struck](#) an apartment building in Dnipro, killing 45 people; some Russians set up a small [memorial](#) to the victims of the attack at a statue of a Ukrainian writer in Moscow. A reported commander of the Wagner Group of mercenaries fighting alongside Russia sought [asylum](#) in Norway.

Leopard 2 tanks: [Pressure mounted](#) on Germany to approve the transfer of Leopard 2 tanks from Poland and other countries to Ukraine (Germany has the right to approve the transfers because the tanks were made in Germany). The group of 50 defense ministers in the Ukraine Contact Group will meet in Ramstein, Germany, on Friday, and the potential transfer is expressed to be discussed. A German source [suggested](#) that Germany would agree to the transfer if the US would also send tanks. Polish President Andrzej Duda said the tanks were “very, very, very, very needed” and expressed support for formation of an armored brigade that could be transferred to Ukraine. Finland would also like to supply Leopard 2 to Ukraine. Charles Michel, President of the European Council, [said](#) the “time is now” to begin supplying the tanks, and the European Parliament [voted](#) 459 to 93 (with 85 abstentions) to adopt a report which includes urging Germany to supply the tanks. Estimates suggest that there are over 2300 Leopard 2 tanks in Europe and that Ukraine needs around 300 to mount a counteroffensive against Russian forces. Britain will [donate](#) a squadron of 14 Challenger 2 tanks to Ukraine, the first Western made battle tanks to be sent. Canada will [donate](#) 200 armored personnel carriers, and the Netherlands will [offer](#) a Patriot missile defense system.

Interior Minister killed: Ukraine’s interior minister, Denys Monastyrskyi, his deputy, and other officials and three children were killed in a [helicopter crash](#) that hit a nursery in Brovary, a suburb of Kyiv.

Zelensky speech to World Economic Forum: Addressing the World Economic Forum in Davos, Switzerland, President Zelensky [said](#) that “tyranny is outpacing democracy” in calling for additional

weaponry to be delivered, noting that “when evil seeks revenge the world needs resolve and speed [.]” Continuing his theme supporting proactive rather than reactive Western action, Zelensky requested that “[t]he supply of Ukraine with air defence systems must outpace Russia’s next missile attacks. The supply of western tanks must outpace another invasion of Russian tanks. The restoration of security and peace in Ukraine must outpace Russia’s attacks on security and peace in other countries.”

Lavrov and Putin speeches: Russian Foreign Minister Sergei Lavrov [compared](#) Western support for Ukraine to the actions of Hitler and Napoleon, saying the war was a “hybrid war” against Russia.” Lavrov also said that it did not see any serious proposals for peace and ruled out negotiations with President Zelensky. Speaking to veterans in St. Petersburg, Russian President Vladimir Putin [called](#) the annexed Ukrainian oblasts Russia’s “historic territories” and repeated his earlier statements that the war is an attempt at the “demilitarization” and “denazification” of Ukraine.

Discussions on nuclear weapons use: In provocative [remarks](#), the deputy head of Russia’s Security Council, Dmitry Medvedev, [said](#) that while Western powers have been suggesting that “[t]o achieve peace, Russia must lose, it never occurs to any of them to draw the following elementary conclusion from this: the loss of a nuclear power in a conventional war may trigger a nuclear war,” arguing that “[n]uclear powers have never lost major conflicts on which their fate depends.” Kremlin spokesperson Dmitry Peskov [added](#) that Medvedev’s comments were fully in line with Russia’s nuclear doctrine, which permits use of nuclear weapons when the existence of the state is threatened. In sharp contrast, former UK Prime Minister Boris Johnson, speaking at a “Breakfast for Ukraine” at the World Economic Forum, [argued](#) that Russia would not use nuclear weapons: “He’s never going to do it because it would put [Russia] into a complete cryogenic paralysis, he would lose all the ground, all the states that are giving him the [benefit of the] doubt, the Indians, the Chinese, they would immediately turn massively against him.” Johnson also [said](#) that the West should continue to support Ukraine militarily, “giving Volodymyr Zelensky the tools he needs to finish the job. Give them the tanks. There’s absolutely nothing to be lost.”

Crimea: After the *New York Times* [reported](#) that US officials were “warming” to the idea of helping Ukraine strike Crimea, internationally recognized as part of Ukraine but which Russia annexed in 2014, the Kremlin [responded](#) that this would be “extremely dangerous” and would “mean raising the conflict to a new level that will not bode well for European security,” according to spokesperson Dmitry Peskov.

Kissinger on Ukraine and NATO: Former Secretary of State Henry Kissinger stated that Ukraine joining NATO could be an “appropriate outcome” of the invasion, [telling](#) the World Economic Forum that “[t]he idea of a neutral Ukraine under these conditions [after a negotiated outcome to the war] is no longer meaningful.” This marks a shift from his [earlier opposition](#) to Ukraine’s membership bid. Kissinger also reiterated the importance of avoiding direct conflict between Russia and the west, suggested Russia should rejoin the international system after the war, and urged the US and China to avoid the perception of an “imminent showdown” between the countries, particularly over Taiwan.

Nuclear plant safety: International Atomic Energy Agency (IAEA) Director General Rafael Grossi will visit Ukraine next week as the IAEA “will [establish](#) a continuous presence of nuclear safety and security experts at all of the country’s nuclear power plants as part of stepped-up efforts to help prevent a nuclear accident during the current armed conflict,” according to an IAEA statement. The new plan expands the IAEA’s presence in the country, previously limited to the nuclear plant at Zaporizhzhia, which is Europe’s largest, and will include a presence at the Chernobyl site where a nuclear accident took place in April 1986.

Economic aid: The EU [released](#) €3 billion in emergency aid for Ukraine to assist in providing essential services, including hospitals and schools, over the winter, in the first tranche of a fund that will total €18 billion. President Zelensky thanked European Commission President Ursula von der Leyen by noting that financial stability is “vital for our joint victory over the aggressor.”

Secret Bulgarian support for Ukraine: The German newspaper [Die Welt reported](#) that the former Bulgarian government under Prime Minister Kiril Petkov and Finance Minister Assen Vassilev supplied 30 percent of Soviet-caliber ammunition and 40 percent of the diesel fuel that Ukraine used during the late winter and early spring even while the government was publicly refusing to supply Ukraine. Ukrainian Foreign Minister Dmytro Kuleba negotiated the transfers as a matter of “life and death.” Bulgaria reportedly sent the supplies through third countries using intermediaries, and many supplies were ultimately paid for by the US and UK. To replenish Bulgaria’s own fuel needs, two tankers of liquefied natural gas were sourced from the US in what Petkov described as “a political signal to the whole of Europe that there are always ways out of dependence on Russia.” Russia retaliated against the Bulgarian support by cyberattacks and cutting off gas supplies in late April 2022; the revelations solve the mystery of why Bulgaria was included in an energy cutoff that included countries publicly supportive of Ukraine.

4. RETAIL SALES DECLINE

Retail sales [fell](#) -1.1 percent in December on a seasonally adjusted basis from \$685.0 billion to \$677.1 billion (not adjusted for inflation). This marked a second consecutive month of decline. However, over the last 12 months, retail sales rose 6.0 percent over December 2021’s figure. The largest contributor to the \$7.9 billion decline was spending at gas stations, which fell \$2.9 billion as gas prices moderated at the end of the year. However, spending also fell modestly across a wide variety of other categories, including motor vehicles, furniture, health and personal care, clothing, and general merchandise. In an [analysis](#) of the retail sales data, The Conference Board’s Economy, Strategy, and Finance Center states “we expect consumer spending to continue to contract as the US economy slips into recession early this year.”

5. INDUSTRIAL PRODUCTION DECLINES

Industrial production [decreased](#) 0.7 percent in December, according to Federal Reserve data released Wednesday. The decline was extremely broad-based, encompassing all but one category (utilities, which increased sharply at 3.8 percent), which the Federal Reserve attributed to cold temperatures across the US increasing the demand for heating. Production of final products declined 0.5 percent, including the subcategories of consumer goods (-0.1 percent) and business equipment (-2.0 percent). Nonindustrial supplies (-1.3 percent), construction (-1.4 percent), and materials (-0.7 percent) all also declined. Among major industry groups, production in manufacturing (-1.3 percent) and mining (-0.9 percent) also fell.

6. BEIGE BOOK SHOWS SLOWING GROWTH

On Wednesday, the Federal Reserve [published](#) 2023’s first edition of the Beige Book, which collects information on current conditions in each of the twelve Federal Reserve Districts through interviews with key economic participants and analysts. Overall, the districts reported little change in economic activity; five districts reported slight or modest increases in overall activity, six reported no change or slight declines, and one reported a significant decline. On average, interviewees expected little growth in the months ahead. Consumer spending in most districts grew with robust holiday spending and travel. However, manufacturing activity declined, matching Federal Reserve [data](#) showing declining industrial

production. Real estate was weak in both the residential and commercial markets, with bankers reporting that low residential mortgage demand in the face of high interest rates. Most districts reported employment growth, with only one reporting a decline and one with unchanged employment. Firms continued to report difficulty filling open positions, and many employers noted offering higher compensation to attract workers, but five districts reported that wage pressures had eased somewhat. Most districts reported slowing price growth, with lower freight and commodity costs for businesses, and retailers stated that consumers were less willing to accept price increases.

7. INITIAL UNEMPLOYMENT CLAIMS FALL SHARPLY

The Department of Labor [reported](#) Thursday that initial claims for unemployment insurance, a weekly indicator of labor market health, were 190,000 for the week ending January 14, a decrease of 15,000 from the previous week's revised level of 206,000, its lowest level since May 2022. This level of claims is low or moderate by historical standards and well below the July highs of 261,000, reflecting continued labor market strength even as some leading economic indicators tip into negative territory. The [latest economic forecast](#) from The Conference Board shows the unemployment rate rising to 4.5 percent by the fourth quarter of 2023.

8. EUROPEAN RESPONSE TO US INFLATION REDUCTION ACT

European Commission President Ursula von der Leyen used her address at the World Economic Forum in Davos to [announce](#) that the EU will propose a "Net-Zero Industry Act" that will be a response to the US' enactment of the Inflation Reduction Act (IRA) last year with its strong incentives for clean energy production. Von der Leyen [said](#) that "[t]o keep European industry attractive, there is a need to be competitive with the offers and incentives that are currently available outside the EU." More broadly, the EU's Commissioner for the Economy, Paolo Gentiloni, [stated](#) that the EU plans "decisive steps to safeguard European competitiveness" to respond to the IRA, targeting its "Buy American" provisions, and "streamlining [the EU's] state aid rules while avoiding fragmentation in the single market, including through the establishment of a European sovereignty fund" to support EU member states in their transition to clean energy. France is among the EU countries pushing for a stronger response, with Finance Minister Bruno LeMaire [declaring](#) there is "no time to lose in establishing a new European industrial policy to support green industry and encourage industries to relocate to European territory," including subsidies for hydrogen, electric batteries, solar panels, and semiconductors -- sectors that match those in recent US actions including the IRA and the CHIPS and Science Act.

9. FIRST SMALL MODULAR NUCLEAR DESIGN APPROVED

The Nuclear Regulatory Commission published a final [rule](#) approving the design of the NuScale small light water reactor, the first small modular reactor design it has approved. Based on a small light water reactor developed at Oregon State University, the NuScale design consists of up to 12 power modules per reactor each composed of "a natural circulation light water reactor composed of a reactor core, a pressurizer, and two helical coil steam generators located in a common reactor pressure vessel that is housed in a compact cylindrical steel containment." The modules are "partially submerged in a common safety-related pool" serving as "the ultimate heat sink" for the modules. The design also new safety measures, includes new approaches "for accomplishing key safety functions, resulting in no need for Class 1E safety-related power (no emergency diesel generators), no need for pumps to inject water into the core for post-accident coolant injection, and reduced need for control room staffing while providing safe operation of the plant during normal and post-accident operation." CED's Solutions Brief [A Road](#)

Map for a Sustainable Clean Energy Transition During Economic and Geopolitical Uncertainty called for encouraging use of nuclear power, “including newer designs such as small modular reactors.”

10. NURSING STRIKE ENDS WITH TENTATIVE AGREEMENT

Last week, more than 7,000 nurses at two New York City hospitals [went on strike](#) for three days before an agreement was [reached](#). While other hospitals managed to reach deals before the deadline, negotiations had failed with Mount Sinai Hospital in Manhattan and three locations of the Montefiore Medical Center in the Bronx. Leadership at the New York State Nurses Association (NYSNA) rejected the same 19.1 wage increases over three years agreed to by other hospitals. New York Governor Kathy Hochul supported the plan and had called for [binding arbitration](#) to push the parties towards a resolution. The striking workers, however, sought firmer commitments to address what [union leaders](#) called “the crisis of understaffing that harms patient care,” where “too often one nurse in the emergency department is responsible for 20 patients instead of the standard two or three.” Initially, [Montefiore](#) had committed to over 170 new nursing positions, a fraction of the 760 total nursing vacancies at the hospital, according to NYSNA President Nancy Hagans. The agreement was [hailed as historic](#) by workers and organizers, with both Mount Sinai and Montefiore agreeing for the first time to staffing ratios of nurses-to-patients with enforcement mechanisms for compliance.

11. NTIA, FCC REJECT CALLS FOR ADDITIONAL TIME TO CHALLENGE BROADBAND MAPS

The National Telecommunications and Information Administration (NTIA) ruled out additional time to challenge the Federal Communications Commission’s (FCC) broadband data maps, explaining its reasoning in a [blog post](#) and noting that NTIA and FCC are working closely together. These maps are a statutory requirement for the release of \$42.5 billion in broadband funds from the Infrastructure Investment and Jobs Act and an essential component of the formula that determines how broadband funding for unserved or underserved areas will be allocated. The maps have been the subject of debate because of tension between two priorities, accuracy in targeting the funds and speed of deployment. Though the process has generally been collaborative, with stakeholders working hard on both priorities, there has been disagreement on how to weigh the priorities against each other. In a December [letter](#) to the FCC, a bipartisan group of senators stated challenges to the maps “must not be short-cut [.]” However, NTIA stresses the “urgency of this moment to connect the unconnected” and argues “a delay in the timeline would mean a delay in providing funding to communities who desperately need it.”

12. STATE EDUCATION INITIATIVES

This month, many governors have used their “state of the state” addresses to propose significant investments in education to address challenges revealed and exacerbated by the COVID-19 pandemic. Arizona, Colorado, Indiana, and Washington recommended increases in per-pupil spending. Republican Governors Kim Reynolds of Iowa and Jim Justice of West Virginia both proposed increased funding to support parents who choose to send their child to a private school. Idaho, Indiana, Kentucky, Virginia, and West Virginia also proposed raising teacher pay to address the national teacher shortage. Higher education and workforce training initiatives were also notable priorities in 2023 addresses. In Arizona, Idaho, and Indiana, the governors proposed additional funding to expand access and affordability to state colleges and universities within the state. In Iowa, Governor Reynolds proposed increased funding for the health care apprenticeships program. Governor Doug Burgum (R) of North Dakota supported a proposed \$10 million innovation workforce grant and matching funds for private sector investment in career and technical centers. Virginia Governor Glenn Youngkin (R) proposed investments in the Earn to

Learn Accelerator to build the nursing workforce and encouraged the acceleration of dual-enrollment partnerships between high schools and the community college system as well as a focus on high school and college programs to help recruit 2,000 more police officers. While Minnesota Governor Tim Walz' (D) address is forthcoming, he has already proposed a \$12 billion investment in education from the projected \$17.6 billion state budget surplus. His initiatives include tax credits for families with young children, free breakfast and lunch for all students, and increases to the state's general education funding formula. The National Governors Association has issued a [summary](#) of state of the state addresses.

13. CHINA'S POPULATION DECLINES; JAPAN TO PROPOSE NEW POLICIES

China's National Bureau of Statistics [announced](#) that China's population declined, albeit by only 850,000 people, to 1.4118 billion in 2022 and that the birthrate accelerated its decline, from 7.52 births per 1,000 people in 2021 to 6.77 in 2022. China's population had not shown a decline since 1961 during the aftereffects of the Great Leap Forward industrial policy. In 2021, China modified its population policies to permit three children per family rather than two, but the birthrate did not rebound immediately. The downward trend in population growth, along with an aging population, is likely to cause pressures on China's workforce in the decades ahead. Japan, also facing an accelerating demographic changes, has [promised](#) "bold, unprecedented" proposals to increase its birthrate by the end of March, with Prime Minister Fumio Kishida expected to announce new child care measures next week at the beginning of the new session of the Diet. According to news agency Jiji Press, Kishida will [say](#) that support for raising children is "the most important policy for the sustainability and inclusiveness of economic society" and "the most important investment for the future," although sources for the funding remain unclear.

14. MONKEYPOX UPDATE

As of January 18, the [US has confirmed](#) a total of 30,026 cases of monkeypox. States with the highest case numbers include California (5,706), New York (4,216), Texas (2,893), Florida (2,862) and Georgia (1,985). [Globally](#), as of January 18, 84,855 cases have been confirmed, with 83,650 cases confirmed in locations that have not historically reported monkeypox. The countries with the highest case numbers include the US (29,980), Brazil (10,671), Spain (7,513), France (4,114), and Colombia (4,062). A total of 67 deaths have been reported in locations that have not historically reported monkeypox.

15. PANDEMIC NEWS

High deaths in Los Angeles County: Los Angeles County [recorded](#) 164 deaths for the seven-day period ending Wednesday, a new high exceeding the summer peak of 122 deaths for the week ending August 6. However, the [latest death tally](#) is a fraction of last winter's high of 513 for the week ending February 9, 2022. Still, the death toll is concerning, with more weekly deaths this winter than last summer, despite significantly fewer COVID-19 cases reported. Los Angeles County Public Health Director Barbara Ferrer noted that the recent higher death toll may result from people recently being sick with other respiratory viruses, such as flu and respiratory syncytial virus (RSV).

Court to consider mask mandate: The Justice Department on Tuesday [asked](#) a panel of the Eleventh Circuit Court of Appeals to reverse the [April 2021 ruling](#) that declared unlawful a government order requiring masks on airplanes, buses, trains, and ridesharing services and at transportation hubs. The three-judge panel heard arguments on the appeal of a ruling by a district court judge in Florida that found the CDC lacked legal authority to issue a nationwide travel mask mandate to combat COVID-19 without the opportunity for public comment. Justice Department lawyer Brian Springer noted the CDC

could impose a mask mandate without giving the public time to comment because of the declared public health emergency. Even if the court rules in favor of the Justice Department, the mask mandate would not return, however.

Study on co-infection with multiple respiratory viruses: A [study](#) published Wednesday in the *American Academy of Pediatrics* found that children hospitalized for COVID-19 and another respiratory virus, such as RSV or a cold, were significantly more likely to require oxygen and/or end up in an intensive care unit. The study, which involved 4,372 children hospitalized from March 1, 2020 to February 28, 2022, found that children under the age of five were twice as likely to experience severe illness with a co-infection than those only suffering COVID-19. The results [underscore the importance](#) of testing patients hospitalized with respiratory infections to ensure they are getting the right treatment, noted Dr. Nickolas Agathis, a pediatrician who led the study.

16. COUNTRY SPOTLIGHT: CHINA

Since President Xi Jinping abruptly changed course and abandoned China's strict zero-COVID policy in December, the Omicron variant has spread largely unchecked throughout the country. A lack of data is obscuring the true impact of the outbreak, causing much frustration for public health experts throughout the world. However, some experts assert that the current wave of infections has already [reached a peak](#). Shengjie Lai, an infectious disease modeler at the University of Southampton, simulated the number of infections in different regions of China by combining information on how the variant was spreading in October and November (before the change in policy) using data on travel between cities across the country. According to this analysis, presented to *Nature* but not yet published or peer reviewed, nearly half of cities experienced a peak in infections between December 10 and December 31. Because the virus has already spread across China, fears that city-dwellers could spread the virus to rural regions while visiting family during *chun yun*, the 40-day Lunar New Year travel period that began January 7, are likely overblown, according to Lai.

Other experts strongly disagree, asserting that the worst is yet to come. London-based independent forecasting firm Airfinity estimates that China will see 36,000 deaths a day during the [holiday travel](#) season. The country will likely experience "one longer, more severe COVID-19 wave" rather than peaks and valleys, the firm noted. Its updated estimate of an additional 11,000 deaths compared to its previous is based on data from China's provinces combined with rates seen in other zero-COVID countries after the lifting of restrictions. The estimate takes into account reports that suggest infections have peaked in several provinces, including Henan, Gansu, Qinghai, and Yunnan. Airfinity [estimates](#) that cumulative China COVID-19 deaths stand at 608,000 since China's policy shift.

This is a sharp contrast to official figures. At a press conference on Saturday, Jiao Yahui, Chief of Medical Policy at the National Health Commission, said that the country [recorded 59,938 deaths](#) between December 8, 2022 and January 12, 2023 caused by COVID-19. Among the nearly 60,000 deaths, 5,503 died from respiratory failure and 54,435 died from complications caused by underlying disease. It is unknown whether deaths that occurred outside of hospitals were included in the tally. Prior to the dismantling of zero-COVID on December 8, China reported 5,200 fatalities from the beginning of the pandemic.

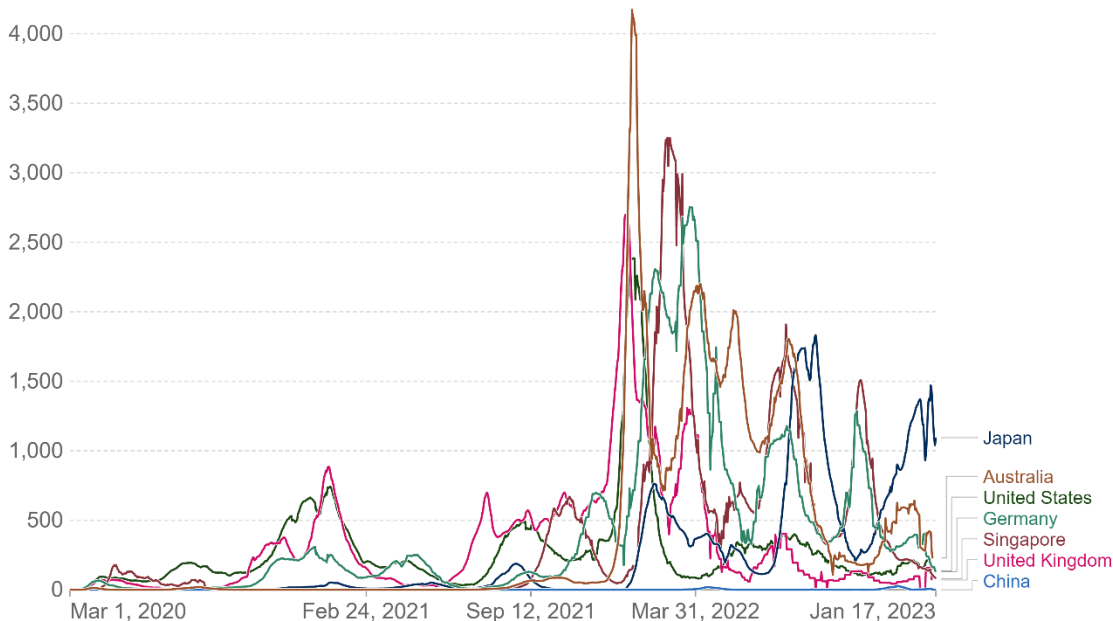
President Xi Jinping, [speaking](#) at the Great Hall of the People in Beijing, said he was "primarily concerned about rural areas and rural residents" as China entered a "new phase" of its pandemic response. Xi's speech was the President's most direct acknowledgement of the worsening health care crisis. Xi called

for “stricter” health measures to be reintroduced at nursing homes and welfare facilities and stronger efforts from lower-level officials to boost resources and response to severe cases.

On Wednesday, the World Health Organization (WHO) appealed again to China for increased transparency on the outbreak, including hospitalization rates, viral sequencing, and comparative death rates between rural and urban regions. China [has not yet found](#) any dangerous mutations during viral sequencing since the abandonment of zero-COVID. While it is possible that Omicron could evolve, Dr. Zeng Guang, former chief epidemiologist at the Chinese Centre for Disease Control and Prevention, [offered](#) “cautious optimism” about the risk for future variants. Other scientists are not as positive, warning that even small changes to the virus could have devastating global impact. “The next variant will come in due course, whether it’s from China or elsewhere, and it may not be from the Omicron family,” said Professor Eric Topol, director of the Scripps Research Translational Institute in California.

Daily new confirmed COVID-19 cases per million people

7-day rolling average. Due to limited testing, the number of confirmed cases is lower than the true number of infections.

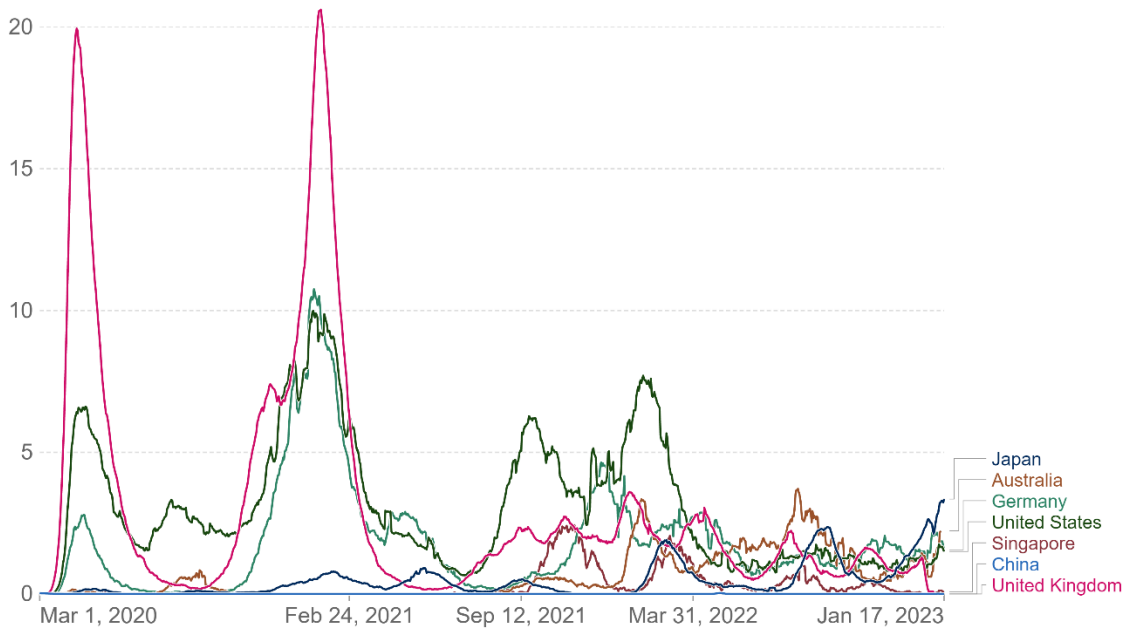


Source: Johns Hopkins University CSSE COVID-19 Data

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Daily new confirmed COVID-19 deaths per million people

7-day rolling average. Due to varying protocols and challenges in the attribution of the cause of death, the number of confirmed deaths may not accurately represent the true number of deaths caused by COVID-19.



Source: Johns Hopkins University CSSE COVID-19 Data

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