

***CED Public Policy Watch
Weekly News Round-up
January 27, 2023***

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1. DEVELOPMENTS ON UKRAINE

Western tanks for Ukraine: Both the [US](#) and Germany committed to send battle tanks to Ukraine, with the US to send [31 M1 Abrams](#) and [Germany](#) a company of 14 [Leopard 2A6 tanks](#). The President [said](#) that the tanks pose “no offensive threat” to Russia and that “[i]f Russian troops returned to Russia, this war would be over today.” Other NATO countries, including Finland, Sweden, [Spain](#), the Netherlands, Poland, and Norway, will also send Leopard 2s as Germany has approved their re-export, with Europe providing about 70 tanks in total. The tanks are [expected](#) to be used in a Ukrainian counteroffensive to push back Russian forces. For Germany, the decision marks a major transition in security policy and will be the first time since 1945 that German-made tanks will be used in battle.

Germany was reluctant to move without the US also sending tanks. In announcing the decision, Chancellor Olaf Scholz [said](#) “[i]t is correct to never do it alone. We will do anything necessary to support Ukraine, but we want to avoid an escalation of this war, so it doesn’t become a war between Russia and NATO.” Polish Prime Minister Mateusz Morawiecki had [threatened](#) to send the tanks even without German permission. It is unclear when the US tanks would be delivered but likely not before the fall given the need for training. President Zelensky’s chief of staff [stated](#) that Ukraine would need “several hundred “ tanks to meet the goal of restoring “the borders of 1991 and punishing the enemy [.]” Russia reacted angrily and [warned](#) that “the Ukrainian people . . . will pay the price” for the tank deliveries.

Ukrainian anti-corruption drive: Fifteen 15 officials, including the deputy infrastructure minister, the [governors](#) of five oblasts and the deputy prosecutor general, were [removed](#) or resigned in a purge of officials suspected of corruption, including corruption involving Western aid. The deputy defense minister and deputy head of the presidential office also [resigned](#). The head of Ukraine’s anti-corruption

agency [cited](#) polling showing that the war has made Ukrainians more intolerant of corruption; before the war only 40 percent were ready to report corruption but 84 percent said they would report it now.

Nordic membership of NATO: After a Danish-Swedish far-right activist burned a copy of the Quran in front of Turkey's embassy in Stockholm, Turkish President Recep Tayyip Erdoğan [declared](#) he would not support Swedish membership of NATO and [canceled](#) a planned visit by the Swedish defense minister to Ankara. "Those who allow such blasphemy in front of our embassy can no longer expect our support for their NATO membership," Erdoğan said. Sweden had earlier worked to address Turkish objections to Swedish policy, including the operations of Kurdish organizations in Sweden. The Stockholm incident sparked [outrage](#) in other predominantly Muslim countries as well.

In response to Turkey's move, Finland's Foreign Minister Pekka Haavisto [suggested](#) that Finland might eventually pursue its application for membership separate from that of Sweden although he emphasized that a "joint path to NATO is still possible"; until now, the two applications had been considered together at the countries' request. Turkey had earlier suggested it was open to Finnish membership. Finnish President Sauli Niinistö [said](#) during a visit to Kyiv that "undoubtedly it seems to be the case that we have to wait for the elections in Turkey to take place" in May. Only Turkey and Hungary have not ratified Sweden's and Finland's applications to join the alliance.

Military developments: Presumably in response to the tank announcements, Russia [launched](#) more than 50 missiles at Kyiv and Odesa, once again targeting electricity infrastructure. Ukraine [announced](#) its withdrawal from the town of Soledar in Donetsk oblast, where it had faced intense fighting from a much larger force of mercenaries from the Wagner Group associated with Russian oligarch Yevgeny Prigozhin. The town itself has little strategic value, but it marks the first Russian advance since July. Ukraine [claimed](#) that by holding the line for several weeks, its forces "fulfilled their main task: not allowing the enemy to systematically break through" in Donetsk oblast.

EU aid; Denmark defense changes: The EU [approved](#) an additional €500 million in military aid for Ukraine and €45 million in non-lethal aid, acting with unanimous support as Hungary said it would not block the aid. Belarus [claimed](#) that Ukraine has proposed a non-aggression pact between the two countries but did not elaborate further. Denmark [plans](#) compulsory military service for women instead of the current voluntary system for women and a mandatory lottery for men. Denmark will increase defense spending to reach the NATO target of 2 percent of GDP by 2030 and has donated a Caesar heavy artillery system to Ukraine.

Swiss military equipment: The Security Policy Committee of the lower house of Switzerland's Federal Assembly [voted](#) to waive a law currently prohibiting re-export of Swiss armored vehicles and other military equipment to Ukraine. The waiver would permit re-export to respond to a use of force that violates international law; proponents argue that under these circumstances, supporting Ukrainian defense would not violate Swiss neutrality. The provision concerns only re-export of Swiss goods, not direct Swiss exports. The change still needs approval from Switzerland's national government, the seven-member Federal Council, which traditionally operates by consensus where possible.

Chinese state-owned enterprises supporting Russia? *Bloomberg* [reported](#) that the Administration has "confronted" China "with evidence suggesting that some Chinese state-owned enterprises may be providing assistance for Russia's war in Ukraine," in an effort to determine whether the central government was aware of the assistance. US officials termed the suspected aid "nonlethal military and economic assistance that stops short of wholesale evasion" of the US and Western sanctions regime.

China has not imposed sanctions on Russia but has thus far been careful to avoid overt military support for Russia or to take actions that might result in the imposition of secondary sanctions on China. According to *Bloomberg*, US officials believe that “Beijing is doing more than it once did in support of Moscow” although sticking to its policy of not providing lethal military aid to Russia. Over the past year, China’s [imports](#) from Russia, including of energy, have grown by nearly 50 percent, while its exports to Russia have risen 13 percent. A finding that China is helping Russia more actively could damage US-China ties at a time when there is some hope for improvement in the bilateral relationship.

Lavrov visit to South Africa: Russian foreign minister Sergei Lavrov [visited](#) South Africa in advance of a naval exercise involving Russia, China, and South Africa in the Indian Ocean from February 17-27.

Funds for reconstruction: President of the European Council Charles Michel [proposed](#) using over \$300 billion of confiscated assets of the Russian Central Bank to assist reconstruction in Ukraine, possibly managing the assets to generate profits to be used for reconstruction projects.

2. YELLEN TAKES ADDITIONAL “EXTRAORDINARY MEASURE” TO ADDRESS DEBT CEILING

On Tuesday, Treasury Secretary Janet Yellen [notified](#) Congress that Treasury suspended reinvestment of the Government Securities Investment Fund (G Fund) of the Thrift Savings Fund available to Federal employees in interest-bearing US securities, which Treasury is permitted to do by statute as an “extraordinary measure” now that the US has reached its debt ceiling. The Fund “will be made whole once the debt limit is increased or suspended.” Taking these extraordinary measures should keep the US from reaching the X date – the date after which the US would not be able to pay any bills – until some point in June. Yellen again called on Congress to take quick action to address the debt ceiling.

3. MCCARTHY, MANCHIN MEET ON DEBT CEILING

After a meeting with House Speaker Kevin McCarthy (R-CA) on Wednesday, Senator Joe Manchin (D-WV) [told](#) reporters that McCarthy had agreed not to cut Social Security and Medicare in negotiations over the debt ceiling. Manchin has opposed cuts to the programs during the debt ceiling debate.

Recognizing the need for reform separate from the debt ceiling debate, Manchin in an interview this week on [CNN’s “State of the Union,”](#) called for a key change to help shore up Social Security’s ailing funds – raising the cap on payroll taxes that are used to fund the program. “The easiest and quickest thing that we can do is raise the cap,” he said, while also curbing “wasteful spending.”

4. THE CONFERENCE BOARD LEADING ECONOMIC INDEX CONTINUES DECLINE

The Conference Board Leading Economic Index® (LEI) for the US [decreased](#) by 1.0 percent in December 2022 to 110.5 (2016=100), following a decline of 1.1 percent in November. The LEI is now down 4.2 percent over the six-month period between June and December 2022 – a much steeper rate of decline than its 1.9 percent contraction over the previous six-month period (December 2021–June 2022). “The US LEI fell sharply again in December – continuing to signal recession for the US economy in the near term,” said Ataman Ozyildirim, Senior Director, Economics, at The Conference Board. “There was widespread weakness among leading indicators in December, indicating deteriorating conditions for labor markets, manufacturing, housing construction, and financial markets in the months ahead. Meanwhile, the coincident economic index (CEI) has not weakened in the same fashion as the LEI because labor market-related indicators (employment and personal income) remain robust.

Nonetheless, industrial production – also a component of the CEI – fell for the third straight month. Overall economic activity is likely to turn negative in the coming quarters before picking up again in the final quarter of 2023.”

5. GDP RISES 2.9 PERCENT DESPITE GRADUAL SOFTENING

Real GDP increased at an annual rate of 2.9 percent in the fourth quarter of 2022, according to the Bureau of Economic Analysis’ [advance estimate](#), reflecting weaker growth than in the third quarter (3.2 percent) despite declining inflation. Though headline growth was strong, the underlying components were quite mixed with the buildup of private inventories and government expenditures contributing 1.46 and 0.64 percentage points to overall fourth quarter growth. Final sales to private domestic purchasers, which excludes government, trade, and inventories, grew just 0.2 percent, the weakest number since the second quarter of 2020. Personal consumption expenditures rose 2.1 percent for the quarter, with goods consumption rising 1.1 percent following three consecutive quarterly declines, and services consumption continuing to rise (2.6 percent). However, declines in fixed investment (6.7 percent) offset much of that increase. Higher interest rates continued to weigh down residential investment, which declined 26.7 percent, following decreases of roughly 18 percent and 27 percent in the second and third quarters. Exports also fell slightly (1.3 percent) while imports declined (4.6 percent). The Conference Board’s Economy, Strategy, and Finance Center [analysis](#) notes that “anomalies in inventories and trade mask deeper softness in the economy”; it forecasts “that a mild recession is likely to begin in Q1 2023.”

6. DURABLE GOODS ORDERS RISE SHARPLY IN DECEMBER

On Thursday, the Census Bureau [released](#) its advance report on durable goods manufacturers’ shipments, inventories, and orders. New orders rose sharply by \$15.3 billion, 5.6 percent, to \$286.9 billion, following a decline of 1.7 percent in November. This resumed an upward trend. The increase was driven largely by transportation equipment, which rose \$15.5 billion or 16.7 percent, to \$108.1 billion. Excluding transportation, orders fell by 0.1 percent. Shipments of manufactured durable goods also rose \$1.4 billion or 0.5 percent to \$277.7 billion, similar to November’s 0.4 increase. Transportation equipment shipments, rising \$1.5 billion to \$93.8 billion, also drove this figure. Inventories rose \$3.5 billion, or 0.7 percent, to \$493.6 billion, the twenty-third consecutive monthly increase.

7. INITIAL UNEMPLOYMENT CLAIMS FALL

The Department of Labor [reported](#) Thursday that initial claims for unemployment insurance, a weekly indicator of labor market health, were 186,000 for the week ending January 21, a decrease of 6,000 from the previous week’s revised level of 192,000, following upward revisions of 2,000. The 4-week moving average was 197,500, its lowest mark since May 2022. This level of claims is low by historical standards and well below the highs of 261,000 in July, 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, well above its current level of 3.5 percent, by the fourth quarter of 2023.

8. JUSTICE DEPARTMENT, EIGHT STATES SUE GOOGLE

The Justice Department and a bipartisan coalition of eight states (California, Colorado, Connecticut, New Jersey, New York, Rhode Island, Tennessee, and Virginia) filed an [antitrust case](#) against Google, charging

that Google has used its dominant position in search advertising in a “systematic campaign” to “insert itself into all aspects of the digital advertising marketplace” to harm competitors and force publishers to use its products. The suit demands that Google divest many of its advertising technology products and undo “anticompetitive acquisitions,” including Google’s purchase of DoubleClick in 2008. The Justice Department also [cited](#) negative impacts on the Federal government as a purchaser of \$100 million in digital advertising since 2019, providing an additional ground for the suit.

The suit quotes one Google employee asking, “Is there a deeper issue with us owning the platform, the exchange, and a huge network? The analogy would be if Goldman or Citibank owned the NYSE”; another manager was cited as saying “all or nothing – use [Google’s ad exchange] or don’t get access to our demand.” Google responded to the suit by accusing the Justice Department of an attempt “to pick winners and losers in the highly competitive advertising technology sector,” and noting that “[a]ntitrust cases shouldn’t penalize companies that offer popular, efficient services, particularly in difficult economic times. And they shouldn’t force companies to reverse 15-year-old investments that they have nurtured and worked hard to make successful, especially when those investments were already reviewed by regulators and allowed to proceed.”

Any divestiture would have a strong financial impact on Google; revenues from the advertising products were \$7.9 billion in the third quarter of 2022. Antitrust cases frequently move very slowly, and it would likely take years to litigate a divestiture. Some analysts [noted](#) in that a divestiture of Google’s advertising business, the separate company could still dominate the online advertising market. Beyond this lawsuit, Google also faces [another](#) suit on Google’s search results, which may come to [trial](#) this fall, as well as a [lawsuit](#) from ten states alleging similar charges relating to the advertising business, for which discovery will continue until 2024. The European Commission is also [investigating](#) Google’s advertising business.

9. SUPREME COURT ASKS ADMINISTRATION POSITION ON SOCIAL MEDIA SPEECH CASES

The Supreme Court [requested](#) that the Administration file briefs in two cases concerning state powers for banning political speech on social media platforms. Laws in Florida and Texas seek to restrict social media platforms from removing content related to political speech. The Fifth Circuit upheld [Texas’](#) law, while the Eleventh Circuit voided much of [Florida’s](#) law, leading to a conflict among the circuits making it likely the Supreme Court will hear the case, probably in the Term beginning in October. The social media companies believe they should retain the ability to moderate content relating to areas such as hate speech, misinformation, and violence. One technology trade association appealed to the Court to accept the case, arguing that until now, “no judicial opinion in our Nation’s history had held that the First Amendment permits government to compel websites to publish and disseminate speech against their will. If allowed to stand, the Fifth Circuit’s opinion will upend settled First Amendment jurisprudence and threaten to transform speech on the Internet as we know it today.” The Eleventh Circuit decision against Florida’s law noted that social media companies’ “content-moderation decisions constitute the same sort of editorial judgments” as those exercised by newspapers.

10. HOUSE DELAYS VOTE ON IMMIGRATION BILL

A [bill](#) introduced by some House Republicans to curtail migration at the southern border was delayed from a potential floor vote this week and transferred instead to the House Homeland Security Committee. The plan, which GOP leadership had earlier listed as “ready-to-go” legislation, has sharply divided the new Republican majority. The bill would authorize the Secretary of Homeland Security to block any foreign citizen from entering the US if deemed “necessary in order to achieve operational

control over [the southern] border." It also stipulated that the Secretary would be forced to take that action if, for any reason, agencies could not process undocumented migrants according to legal procedures. Failure to act would give state attorneys general the authority to sue the Federal government. Many moderates grew concerned about the bill's provision preventing migrants and unaccompanied children from seeking asylum directly; those requesting asylum would be detained while their cases are being heard, a process that can take months. This controversy prompted the deal to move the bill to the committee rather than the fast-track Speaker Kevin McCarthy had earlier agreed to in [negotiations](#). Internally, some House Republicans have [expressed skepticism](#) that bipartisan immigration legislation could clear the House in the new Congress, pointing to members who want to prioritize border security without compromise on other reforms. In an [interview](#), Rep. Nancy Mace (R-SC) observed "It will never pass the Senate if we're only talking border security."

11. NIST PREVIEWES NEW CYBERSECURITY FRAMEWORK

The National Institute of Standards and Technology (NIST) released a new [concept paper](#) previewing changes it expects to make to its Cybersecurity Framework (CSF), which it will style as CSF 2.0. This revised version comes after the agency [solicited feedback](#) to improve the framework last February. The CSF, previously known as the "Framework for Improving Critical Infrastructure Cybersecurity," will be broadened in scope to cover a wider variety of institutions and firms. "Critical Infrastructure" refers to 16 sectors essential to the economy for which disruption would be particularly damaging. However, Congress recently directed NIST to write guidance for [small business](#) in a standalone bill -- a recommendation featured in CED's Solutions Brief [Securing Cyberspace in an Era of Evolving Threats](#) -- and also for research institutions as part of the [CHIPS and Science Act](#) (Sec. 10228). Given these additional directives, NIST intends to ensure the CSF will benefit "organizations regardless of sector, type, or size." Other goals for CSF 2.0 include relating CSF clearly to other NIST frameworks, such as its [risk management](#) or [privacy](#) frameworks, expanding guidance with implementation examples for CSF subcategories, expanding coverage of supply chain risk management (for example, for firms that use third-party cloud services) and facilitating international collaboration and engagement.

12. SECRETARY OF EDUCATION OUTLINES 2023 AGENDA

On Tuesday, Secretary of Education Miguel Cardona [outlined](#) his vision for the agency and US education in 2023, issuing a charge to "Raise the Bar: Lead the World" in three key areas: academic excellence, boldly improving learning conditions, and preparing students for a world of global competitiveness. He underscored academic excellence as a matter of national security, referencing the most recent international comparison showing US students scored 36th out of 79 countries in math. To raise the bar in academic excellence, Cardona promoted setting higher standards in reading and math. He also encouraged a focus on the science of literacy, access to financial literacy for all students, higher district-level standards, embracing the arts, expanding preschool and enhancing kindergarten, and greater investments in mental health supports shifting from a reactive approach to a proactive model. Secretary Cardona also encouraged increasing respect for the teaching profession by providing a competitive salary, discharging debt for educators, improving professional learning and career opportunities, and respecting the voice of teachers. He proposed doubling Title 1 funding, which supports schools that serve low-income students, and increasing IDEA funding, which aids students with special needs.

In addition, Cardona outlined ways to reimaging college and career pathways and lead the world in advanced career and technical education, with a particular focus on jobs coming from the CHIPS and Science Act, the Infrastructure Investment and Jobs Act, and the climate provisions of the Inflation

Reduction Act, calling for the necessary job skills to be better infused into K-12 education. He also endorsed dual enrollment courses and high school pathways that lead to micro-credentials. Finally, the Secretary concluded with a call to increase language skills as part of a strategy to bolster the US' global competitiveness, improving English development programs and multilingual language programs and strengthening support for English learners.

13. IRS BEGINS FILING SEASON

The 2023 tax filing season got [underway](#), as the Administration hired 5,000 new customer service representatives, who will be helping customers no later than February 20, as part of the \$80 billion in new funding for IRS modernization in the Inflation Reduction Act. Deputy Treasury Secretary Wally Adeyemo [wrote](#) that the IRS' goals are for caller waiting times to be halved to 15 minutes and for 85 percent of callers to reach a human operator, instead of 15 percent last year. The President [pledged](#) to veto any attempt to repeal the IRS funding, terming the attempt "reckless." The IRS also [extended](#) the comment period for issues related to its Taxpayer Burden Surveys for both individuals and businesses seeking information on "the current tax rules and regulations, the increased usage of tax preparation software, increased efficiency of such software, changes in tax preparation regulations, the increased use of electronic filing, the behavioral response of taxpayers to the tax system, the changing use of services, both IRS and external [.]". Comments on the surveys are due March 27.

14. IRAN NUCLEAR PROGRESS

In unusually direct language, the Director General of the International Atomic Energy Agency (IAEA) [told](#) members of the European Parliament on Tuesday that Iran has now "amassed enough nuclear material for several nuclear weapons," rather than just one as previously thought, though he noted that "we need to be extremely careful" in describing the progress of Iran's nuclear program. Director General Rafael Mariano Grossi said that while under the 2015 [Joint Comprehensive Plan of Action nuclear agreement](#) Iran's enrichment was capped at 3.67 percent, "that is long past. They have 70 kilograms (155 pounds) of uranium enriched at 60 percent," although he cautioned that "doesn't mean they have a nuclear weapon. So they haven't proliferated yet."

15. MONKEYPOX UPDATES

As of January 25, the [US has confirmed](#) a total of 30,093 cases of monkeypox. States with the highest case numbers include California (5,719), New York (4,221), Texas (2,901), Florida (2,864) and Georgia (1,987). [Globally](#), as of January 25, 85,142 cases have been confirmed, with 83,856 cases confirmed in locations that have not historically reported monkeypox. The countries with the highest case numbers include the US (30,093), Brazil (10,690), Spain (7,514), France (4,114), and Colombia (4,062). A total of 72 deaths have been reported in locations that have not historically reported monkeypox.

FDA [released](#) draft guidance for industry on "Mpox: Development of Drugs and Biological Products." The guidance is intended to provide nonclinical, virology, and clinical considerations for mpox drug development programs. FDA's guidance documents do not establish formal rules nor commit the agency to approving specific products and should instead be regarded as the Agency's current thinking and be treated as recommendations. FDA is accepting comments on the guidance through March 21.

16. PANDEMIC NEWS

FDA Proposes Annual COVID-19 Shots: The FDA on Monday [proposed](#) a plan to offer once-a-year COVID-19 vaccines to protect against the mutating virus and will discuss the matter at an [advisory council](#) meeting Thursday of vaccine experts, which will also address whether all US COVID-19 vaccines should be bivalent shots. The Agency hopes to simplify vaccination efforts. According to the plan, the formulation of bivalent vaccines, which protect against both the original COVID-19 strain and Omicron subvariants, would resemble the FDA's selection of seasonal flu shots. Determining which virus strain poses the greatest risk would be completed by June to allow for vaccine production and administration of shots to begin by September each year. The [FDA expects](#) a streamlined process could lead to "improved vaccine coverage rates."

FDA authorizes COVID-flu test: The FDA [announced](#) Emergency Use Authorizations (EUAs) for a number of tests for COVID-19. The majority of the tests are molecular and antigen tests, with the addition of one multianalyte and another serology test. The multianalyte test, a [COVID-19 and influenza test](#) from Lucira Health, Inc., earlier received EUA for use in point-of-care settings on November 22. The [test](#) uses a single anterior nasal swab sample collected from people aged two and older who are suspected of having a respiratory infection. The PCR lab-quality test takes only eleven minutes for a positive result and thirty minutes for a negative result. "COVID-19 and flu viruses can both cause serious illness with similar symptoms, but each has unique prescription treatments that require diagnosis early in the infection to be effective," noted Erik Engelson, Lucira Health president and CEO. The test detects SARS-CoV-2, Influenza A, and Influenza B viral RNA.

Long COVID and absence from work: A [study](#) published by the New York State Insurance Fund (NYSIF), the largest workers' compensation insurer in the state, found that during the first two years of the COVID-19 pandemic, about 71 percent of those experiencing [long COVID](#) either required continuing medical treatment or were unable to work for six months or more. Additionally, more than a year after initial COVID-19 diagnoses, 18 percent of long COVID sufferers had still not returned to work. The study analyzed more than 3,000 COVID-19 workers' compensation claims received by NYSIF between January 1, 2020, and March 31, 2022. The report notes that essential workers (defined as those with occupations in health care, law enforcement, security services, and direct patient or consumer care) accounted for 83 percent of NYSIF's COVID-19 claims. However, only 29 percent of essential workers with established COVID-19 claims had long COVID compared to 44 percent of other workers. It is not clear why essential workers have a lower proportion of COVID-19 claims that move to long COVID compared to other workers. "It may be because essential workers might not have been able to stay home from work beyond the required quarantine period," the study notes.

Oversight of pathogen research: A National Institute of Health (NIH) advisory board specializing in biosecurity on Friday released a [draft report](#) urging increased oversight of experiments on dangerous pathogens as well as broadening the definition of pathogens that have the potential of triggering a pandemic. The report does not discuss the origins of SARS-CoV-2, instead focusing on a decades-long effort to determine processes and oversights that will ensure the [safety of laboratory research](#). The board determined that current definitions of potential pandemic pathogens "are too narrow." "Overemphasis on pathogens that are both likely 'highly' transmissible and likely 'highly' virulent could result in overlooking some research involving the creation, transfer, or use of pathogens," the report states. The report also notes that the debate over the origin of SARS-CoV-2 has drawn attention to the government oversight process of risky experiments. "Increased transparency in the review process is needed to engender public trust in the review and oversight processes," the report states.

17. COUNTRY SPOTLIGHT: EAST ASIA (CHINA, JAPAN, KOREA)

Hundreds of millions of people across China are [on the move](#) during Lunar New Year celebrations. China expects travel during the 40-day holiday season to exceed two billion passenger trips. Long known as the world's largest annual migration of people, this year's celebrations come with new challenge, in particular spreading COVID-19 to older relatives in rural communities that do not have the medical infrastructure to handle a widespread outbreak. Wuhan, once the global epicenter of the virus, celebrated the Lunar New Year with families braving icy temperatures to pack busy markets.

According to the Chinese Center for Disease Control and Prevention, 12,658 people with COVID-19 [died in Chinese hospitals](#) in the seven-day period ending January 19; there were 59,938 deaths [reported](#) from December 8 to January 12. According to Wu Zunyou, chief epidemiologist of the Chinese Center for Disease Control and Prevention (CCDC), [eight in ten people](#) in China have now been infected with COVID-19. "This year, Lunar New Year travel peak coincides with the peak wave of the virus," said Xu Chengguang, vice minister of transport. "It's the most challenging spring festival in recent years." China's transportation ministry has urged those with symptoms to avoid travel and large gatherings. CCDC also [reported](#) that the peak level of daily infections likely peaked on December 22 with 7,000,000 infections per day and that the number of deaths and severe cases has declined more than 70 percent from the early January peak, with 36,000 severe cases and 896 deaths recorded on Monday. The numbers may reflect a slightly broader definition of COVID-related deaths than China used during most of the pandemic but not the definition used in most Western countries; the true death figure by international standards is likely considerably higher.

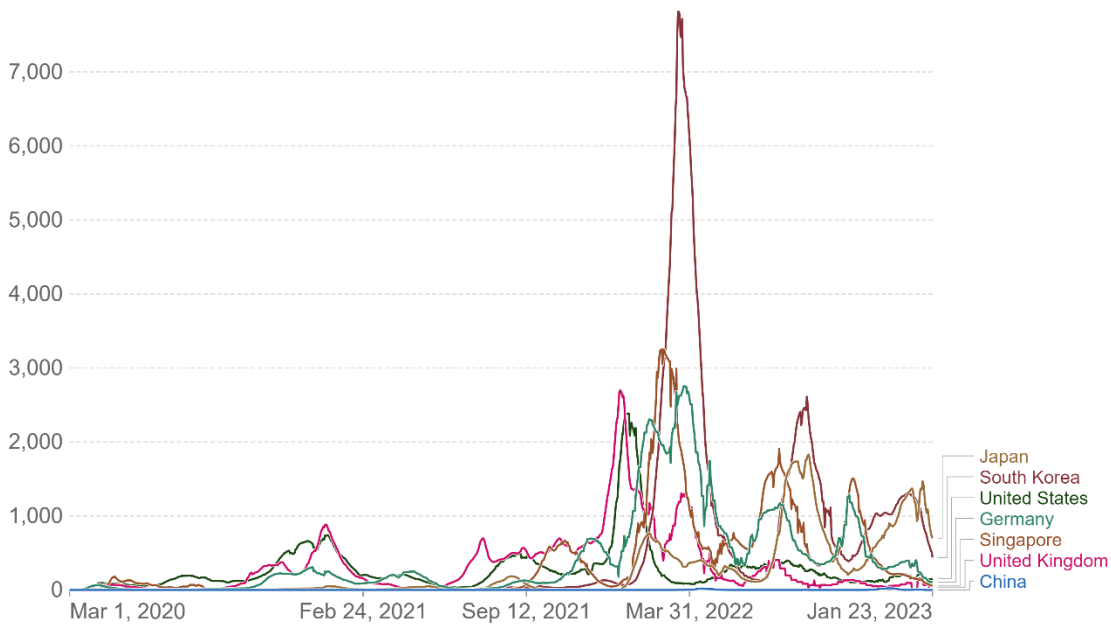
Elsewhere in the region, Japan will [downgrade](#) its legal classification of COVID-19 this spring, bringing an end to quarantine requirements for patients, and will soon review border control and mask recommendations. The announcement made Friday by Prime Minister Fumio Kishida marks a major policy change for the country. Japan will move COVID-19 from its current Class II to Class V under the Infectious Diseases Control law, downgrading the virus to the same level as the seasonal flu. The same day, Chief Cabinet Secretary Hirokazu Matsuno said, without going into details, that border controls will be reviewed along with the classification change. Health minister Katsunobu Kato noted that the relaxation of COVID-19 rules will likely lead to strain on the health care system. "Infection waves will continue to arrive. So the response to the disease will continue to be necessary," he said. Currently, Japan recommends the use of masks indoors when in close proximity to others. Japan recorded a [record of 7,688 deaths](#) from COVID-19 in December during the eighth wave, exceeding the previous monthly high of 7,329 in August during the previous wave.

South Korea also downgraded its COVID-19 precautions. Prime Minister Han Duck-soo said the country will [drop its mask mandate](#) for most indoor public places on January 30, noting that "[t]he daily number of new infections is continuing to decline and despite concerns over a spike in cases in China, the situation here is under control without major troubles [.]" South Korea maintains the rule of a seven-day isolation period for those who test positive for the virus. Both Japan and South Korea have imposed testing requirements on visitors from China; in response, China has stopped processing most visa requests from the countries. The low state of travel to and from China may give both countries greater confidence in lowering their COVID-related protocols.

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.

Our World
in Data



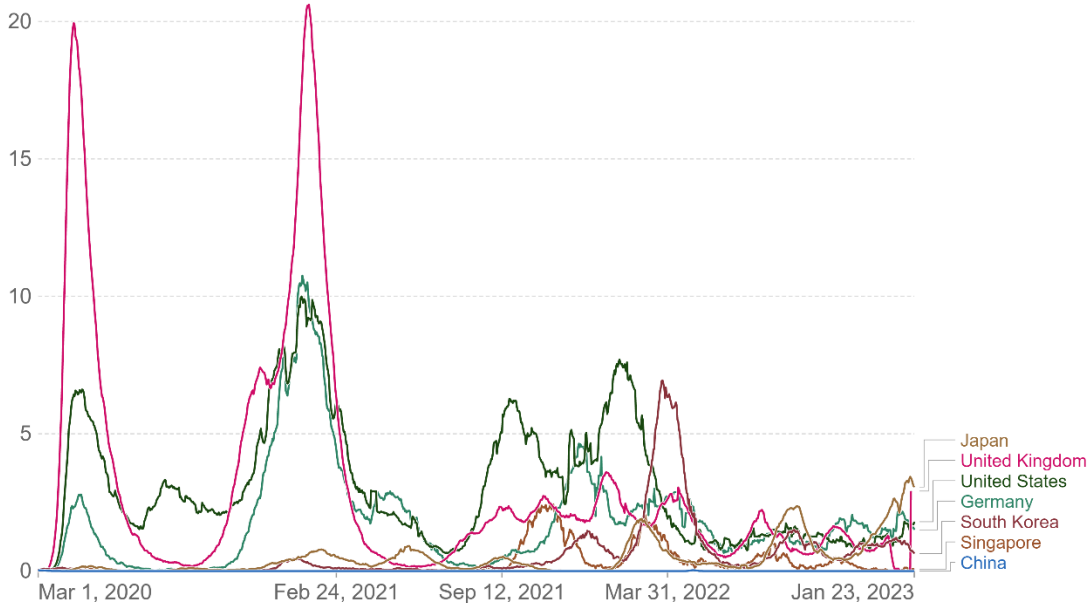
Source: Johns Hopkins University CSSE COVID-19 Data

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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.

Our World
in Data



Source: Johns Hopkins University CSSE COVID-19 Data

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