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1. DEVELOPMENTS ON UKRAINE

The Ground War: Russia captured the Azovstal steel plant in Mariupol after weeks of intense fighting; Russia claims that 1730 soldiers have surrendered. Russia continued to attack Ukrainian positions related to resupply of the country’s armed forces, including [one attack in the Lviv oblast](#) 20 kilometers from the EU (and NATO) border. Ukrainian presidential advisor Mykhailo Podolyak [tweeted](#) a ceasefire “is impossible without total Russian troops withdrawal. Ukraine is not interested in new “Minsk” and the war renewal in a few years. Until [Russia] is ready to fully liberate occupied territories, our negotiating team is weapons, sanctions and money.” (Podolyak referred to the [Minsk agreements](#) of 2014-2015 which led to a ceasefire after the Russian invasion of Crimea). President Zelensky [said](#) that he was ready to speak to Russian President Vladimir Putin “but only to him.” Ukraine [claimed](#) that its troops reached the Russian border near Kharkiv, but the claim could not be independently verified. Secretary of Defense Lloyd Austin spoke with Russian Defense Minister Sergei Shoigu for the first time since the invasion; Austin “[urged an immediate ceasefire in Ukraine and emphasized the importance of maintaining lines of communication](#).” General Milley, chairman of the Joint Chiefs of Staff, subsequently spoke with his Russian counterpart, Valery Gerasimov, chief of the Russian general staff, and they agreed to keep the lines of communication open.

More US Support for Ukraine: The US Senate [approved](#) a \$40 billion aid package for Ukraine, 86-11, including \$20 billion in military aid, \$8 billion in economic support for Ukraine, \$5 billion for global food security efforts, and more than \$1 billion for refugees. Similar to the House passed legislation, the bill is \$7 billion larger than the package the President had initially proposed.

NATO Expansion: Finland and Sweden submitted applications to join NATO. Swedish Foreign Minister Ann Linde [said](#) that “Swedish NATO membership would raise the threshold for military conflicts and thus

have a conflict-preventing effect in northern Europe” [and](#) that “Military nonalignment has served us well, but we are in a new situation now [.]”

Turkey [blocked](#) discussion of Finland’s and Sweden’s applications, citing bans on weapons exports to Turkey; however, NATO Secretary General Jens Stoltenberg [remained](#) “confident that we will come to a quick decision to welcome both Sweden and Finland to join the NATO family” and noted that “when an important ally (like) Turkey raises security concerns, raises issues, then of course the only way to deal with that is to sit down and find common ground [.]” US national security advisor Jake Sullivan [said](#) that he believes Turkey’s concerns “can be addressed and can be resolved.”

In response to Finland’s application, a Russian electricity company suspended electricity supplies, [stating](#) that it “is not able to make payments for the imported electricity from Russia”; however, Finland has adequate electricity supplies and can increase domestic production and imports from Sweden. Official Russian reaction was varied, with President Putin [saying](#) Russia has “no problem” with these accessions that would not pose a “direct threat” while also stating that expansion of military infrastructure in the region would [provoke a response](#) as he addressed leaders of the Russian-led Collective Security Treaty Organization that also includes Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Tajikistan.

Switzerland, too, is considering closer ties with NATO, possibly including joint military exercises, though almost certainly stopping short of requesting membership. In Washington, Swiss Defense Minister Viola Amherd [said](#) that “[w]e still have some room for maneuver, even within the framework of neutral law, which allows us to cooperate more closely with NATO and also with our European partners [.]”

Reconstructing Ukraine: Funding for Ukrainian reconstruction was also on the agenda this week, as the EU [discussed](#) a Rebuild Ukraine plan including loans (in an amount to be determined later), grants, and possibly also including proceeds of seized Russian assets to assist with “substantial” costs of reconstruction. The EU is also considering borrowing on international capital markets to finance the loans to Ukraine.

Separately, the G-7 finance ministers noted the group’s members have [endorsed](#) \$18.4 billion in funding “to help Ukraine close its financing gap and continue ensuring the delivery of basic services to the Ukrainian people,” noting the countries “are prepared to do more as needed.” Speaking at the Brussels Economic Forum, Treasury Secretary Janet Yellen [stated](#) that Ukraine “needs budget funding to pay soldiers, employees, and pensioners... Eventually, Ukraine will need massive support and private investment for reconstruction and recovery, akin to the task of rebuilding in Europe after 1945. Ukraine will have to take this one step at a time, but we can help today and acknowledge and prepare for what is coming. What’s clear is that the bilateral and multilateral support announced so far will not be sufficient to address Ukraine’s needs, even in the short term.”

In response, Kremlin spokesman Dmitri Peskov [stated](#) that using seized Russian funds to pay for Ukraine’s reconstruction would be “illegal, blatant and of course requiring an appropriate response... It would be, in fact, outright theft.”

EU Oil Ban: The EU failed to agree on a new sanctions package again this week because of [Hungary’s opposition](#) to a ban on Russian oil imports, even though it was given an extension until 2024 to comply with the ban. Bloomberg [reported](#) that the US is considering blocking Russia from paying debt held by US bondholders, which would push Russia closer to default. Permitting the payments would require continuing a license which the US is unlikely to grant. [Google’s Russian subsidiary](#) has filed for

bankruptcy based on asset seizures by the Russian government; [McDonald's](#) is looking for a "local buyer" for its restaurants in Russia, who will not be allowed to use the logo or brand. The company stated that "[t]he humanitarian crisis caused by the war in Ukraine, and the precipitating unpredictable operating environment, have led McDonald's to conclude that continued ownership of the business in Russia is no longer tenable, nor is it consistent with McDonald's values," although the company is "seeking to ensure the employees of McDonald's Russia continue to be paid until the close of any transaction and that employees have future employment with any potential buyer [.]'" [Renault Group](#) is also selling its business in Russia, its second largest market, to Russian government bodies including the city of Moscow.

The UK has continued imposing sanctions, including [preventing](#) Russian airlines that hold landing slots at UK airports from selling them to gain revenue and on the "[shady network funding Putin's lavish lifestyle](#)," including President Putin's former wife and former Russian Olympic gymnast Alina Kabaeva, as well as several of his cousins and reported business associates.

Global Food Crisis: Concern is mounting over an impending global food crisis, and efforts ramped up this week to ensure that as much of Ukraine's forthcoming harvest as possible can get to market. The EU [proposed](#) trade corridors ("solidarity lanes") for land transportation of 22 million tons grains to the EU to avoid Russia's blockade of Ukraine's Black Sea ports. However, [different rail gauges](#) between Ukraine and the EU pose a major logistical challenge, as do delays in checking trucks at the EU borders. A major Ukrainian farming company, MHP, has [proposed](#) UN involvement. The G-7 is also [discussing](#) the issue. World Food Program head David Beasley [addressed](#) President Putin directly, saying "If you have any heart at all for the rest of the world, regardless of how you feel about Ukraine, you need to open up those ports." However, Russia is [insisting](#) that sanctions be addressed first, according to Deputy Foreign Minister Andrei Rudenko. UN Secretary General António Guterres [warned](#) of "malnutrition, mass hunger and famine, in a crisis that could last for years," stating: "Let's be clear: there is no effective solution to the food crisis without reintegrating Ukraine's food production. Russia must permit the safe and secure export of grain stored in Ukrainian ports."

In related global food security news, India [agreed](#) to allow overseas wheat shipments awaiting customs clearance and exports to Egypt, partially reversing a [ban](#) the government had imposed on Saturday based on expected declines in the harvest with the strong heat wave in India.

2. INITIAL CLAIMS FOR UNEMPLOYMENT RISE WITH COVID CASES

[Initial claims for unemployment insurance \(UI\)](#) increased by 21,000 to 218,000 for the week ending May 14 (last week's claims were revised down by 6,000). The level of initial UI claims rose to the highest level since late January as [COVID-19 cases](#) are on the rise once again.

Continuing claims dropped again to 1.32 million (on a one-week reporting lag), the lowest level in over 52 years. President Biden issued a statement highlighting that "the percentage of people receiving unemployment insurance fell below 1 percent for the first time since 1969."

3. ADDITIONAL TEMPORARY WORKER VISAS AUTHORIZED

The Department of Homeland Security (DHS) and the Department of Labor (DOL) issued a [joint temporary final rule](#) to allocate an additional 35,000 H-2B visas for businesses looking to employ foreign

workers with start dates from April 1 through September 30, 2022. This additional allocation supplements the [additional 20,000](#) already authorized in January for start dates on or before March 31, 2022, the first time additional visas have been added in the first half of a fiscal year. Of the new allocation, 23,500 are for returning workers, regardless of nationality, who held H-2B status in fiscal years (FY) 2019, 2020, or 2021, while 11,500 visas are reserved for nationals of El Salvador, Guatemala, and Honduras. The two additional allocations bring the total number of H-2B visas for FY 2022 to 121,000; the annual cap is set by law since 1990 at 66,000.

“These additional H-2B visas will help employers meet the demand for seasonal workers at this most critical time, when there is a serious labor shortage,” [said Secretary Alejandro N. Mayorkas](#). “The visas are accompanied by significant worker protections and provide a safe and lawful pathway for individuals to come to the United States and earn wages in jobs that are not filled by American workers.” DOL certified a record 95 percent of H-2B positions as unfilled by U.S. workers in 2021. In fiscal year 2021, approximately 88 percent of H-2B filings were for positions within just five sectors: Administrative and Support and Waste Management and Remediation Services (41.7% of filings), Accommodation and Food Services (17.1%), Entertainment, and Recreation (14.5%), Construction (9.5%), and Agriculture, Forestry, Fishing and Hunting (5%). An April [CED Solutions Brief](#) highlights the high rate of job openings across several of these industries.

4. US-MALAYSIA INITIATIVE ON SEMICONDUCTORS

On the margins of the [US-ASEAN Special Summit](#) in Washington this week, Malaysia and the US [announced](#) an initiative to strengthen resiliency in semiconductor supply chains, signing a Memorandum of Cooperation designed to “strengthen the growing partnership between both governments and the semiconductor industry [and] aim to increase transparency and trust, as well as promote investment in the semiconductor supply chain.” The two countries also held a roundtable with semiconductor industry experts.

5. NEW BROADBAND FUNDING ANNOUNCED

The National Telecommunications and Information Administration (NTIA) announced the “[Internet for All](#)” initiative. The Bipartisan Infrastructure Law included a \$65 billion investment that aims to bring all Americans online by the end of the decade. “In the 21st century, you simply cannot participate in the economy if you don’t have access to reliable, affordable high-speed internet,” said US Commerce Secretary Gina Raimondo. NTIA launched three funding opportunities to support the effort: The [Broadband Equity, Access, and Deployment \(BEAD\) Program](#) (\$42.5 billion) funds planning, infrastructure development, and adoption programs; the [Enabling Middle Mile Broadband Infrastructure Program](#) (\$1 billion) funds infrastructure to connect local networks to robust high-speed internet services to ensure remote locations have access, and the [State Digital Equity Act programs](#) (\$1.5 billion) establishes three grant programs to close the digital divide by ensuring that all Americans have the skills, technology, and capacity they need to benefit from the digital economy.

6. RISING ROAD DEATHS SPUR INFRASTRUCTURE IMPROVEMENTS

The National Highway Traffic Safety Administration (NHTSA) [estimated](#) that road deaths reached a 16-year high of 42,915 fatalities in 2021, up 10.5% from 38,824 deaths in 2020. Fatality rates in multi-vehicle crashes, urban roads, crashes involving at least one large truck, and among senior citizens all

rose by 13 percent or more. NHTSA also estimated that total driving rose 11.2 percent in 2021. Transportation Secretary Peter Buttigieg called the figures “a national crisis” and highlighted the new [Safe Streets and Roads for All](#) grant program under the Bipartisan Infrastructure Law, which will provide \$1 billion this year for safety projects.

7. “BUY AMERICA” GUIDANCE FOR INFRASTRUCTURE SPENDING

The White House has issued [guidance](#) for compliance with Made in America Laws as rollout of Infrastructure and Jobs Act dollars continue. “Made in America Laws” means all statutes, regulations, rules, and Executive Orders relating to Federal financial assistance awards or Federal procurement, including those that refer to “Buy America” or “Buy American,” that require, or provide a preference for, the purchase or acquisition of goods, products, or materials produced in the United States, including iron, steel, and manufactured products offered in the United States. The new guidance went into effect on May 14 and includes information on how to apply for a waiver to the “Buy America” preference, where necessary.

8. PANDEMIC NEWS

New York City [elevated](#) to “[high alert](#)” level on Tuesday, citing high community transmission and rising hospitalizations. City health officials on Monday [strongly recommended](#) that all people wear [medical-grade masks](#) in public indoor settings. However, Mayor Eric Adams, who rolled back school masking and vaccination checks, has not signaled a willingness to return to mask mandates.

The White House [announced](#) that American households can now order an additional eight free at-home tests -- the third free distribution after earlier four test distributions in January and March. The administration has committed to providing Americans with one-billion free [at-home tests](#) and has so far distributed 350 million. “As the highly transmissible subvariants of Omicron drive a rise in cases in parts of the country, free and accessible tests will help slow the spread of the virus,” the White House noted in its statement. The FDA authorized the first COVID-19 [booster for children](#) ages five to eleven years. Children of that age group who completed their two-shot series at least five months ago are eligible to receive a third dose of the Pfizer-BioNTech vaccine. The companies requested the authorization based on a study demonstrating that a third dose is safe and significantly increases antibody levels. It is unclear what the demand for boosters will be; currently, [fewer than one-third](#) of children ages five to eleven are fully vaccinated.

In China, Shanghai officials declared on Tuesday that they had [achieved](#) “zero-COVID at the community level,” as the city reported that [no new infections](#) had been detected in the community for the third consecutive day, but residents remain skeptical about the chances of the city reopening any time soon. Officials have pledged to restart normal life with a goal of fully [reopening](#) by early June. Some buses, businesses, and parks were given the green light to restart operations on Monday. Shanghai residents, however, have noted that they are still living under strict lockdown, and many claimed that they were unable to receive deliveries and were running low on supplies.

9. COUNTRY SPOTLIGHT: NORTH KOREA

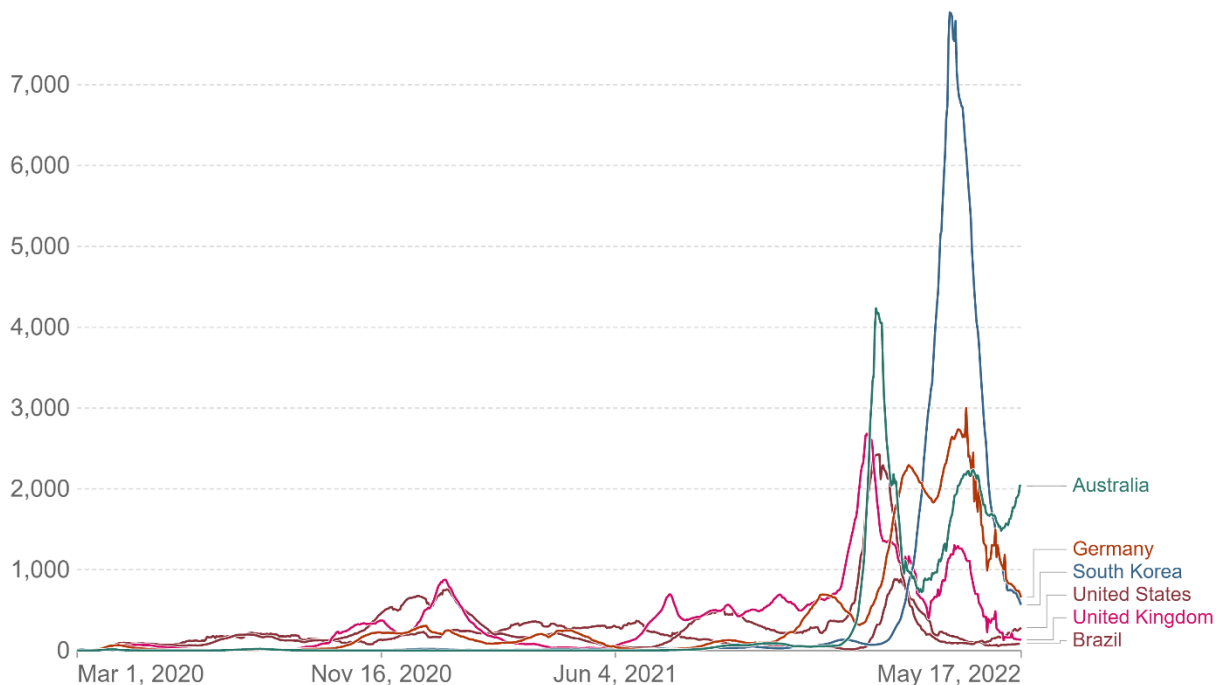
North Korea is experiencing its [first COVID-19 outbreak](#), which Kim Jong-un has said could be the greatest crisis in the country’s history. Last Thursday, North Korea [admitted](#) that an outbreak had begun in late April. All cities and counties in the country of 25 million have been locked down to fight the

spread. On Tuesday, the isolated totalitarian country said the number of infections was nearing 1.5 million and had resulted in 56 deaths since April. State media has been reporting the number of patients with fevers rather than confirmed cases, as North Korea likely does not have the public health infrastructure to conduct large-scale testing. “North Korea is reporting only ‘people with fever’ because it does not have enough test kits,” said Cheong Seong-chang, the director of the Center for North Korean Studies of the Sejong Institute in South Korea. Additionally, most of the reported deaths have been caused by overdoses of medication and other [medical negligence](#) because of lack of medical expertise on treating the virus, North Korean health officials were quoted as saying at a high-level meeting.

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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The majority of the population remains unvaccinated as the country has refused multiple international offers of millions of doses of vaccine. Global public health experts have expressed concern over North Korea's ability to fight a large-scale outbreak, although much to the dismay of international human rights groups, its totalitarian regime is capable of controlling residents' movement. The recent restrictions and the isolation of suspected COVID-19 patients could be catastrophic for those who were already vulnerable, a spokesperson for the UN High Commissioner for Human Rights said in a statement. The UN Human Rights Office [urged](#) North Korea to discuss with the UN the opening of channels for humanitarian support, as well as vaccines and medicines.

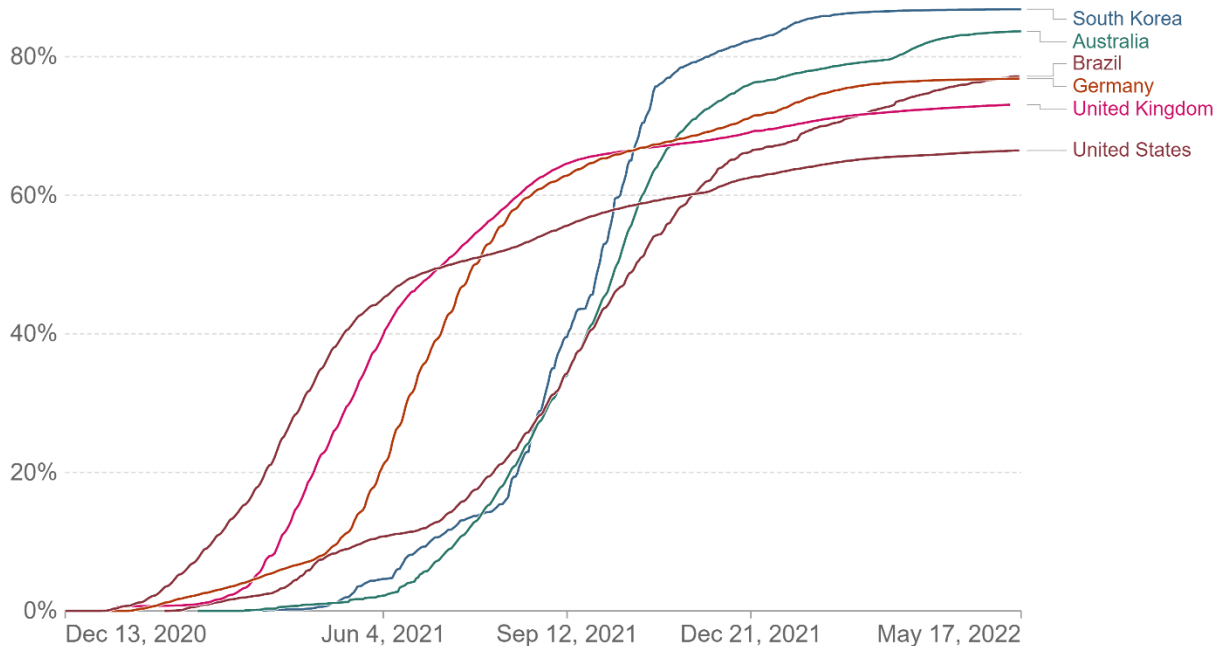
North Korea has remained unresponsive amid [South Korea's outreach](#) for talks on the situation. The South's Ministry of Unification sought to send a fax message to the North on Monday through their liaison office about holding working-level consultations on the outbreak as well as offering medical supplies, vaccines, and test kits. Pyongyang has yet to express its intention to accept the message, according to a unification ministry official. "As North Korea is aware of our stance on cooperation in

disease prevention, our government will wait for the North's response without pressing it," noted an official who spoke on the condition of anonymity.

Share of people who completed the initial COVID-19 vaccination protocol

Total number of people who received all doses prescribed by the initial vaccination protocol, divided by the total population of the country.

Our World
in Data



Source: Official data collated by Our World in Data

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Note: Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.

Infectious disease scholars think it may be [too late](#) for North Korea to turn to vaccines. Dr. Oh Myoung-don, head of South Korea's National Medical Center's committee for clinical management of emerging infectious diseases, estimates that the Omicron death toll in North Korea could reach 34,000 by the end of the current wave. Dr. Oh arrived at the number based on the analysis by the US CDC of Hong Kong's Omicron outbreak. The CDC's analysis found that Hong Kong's high mortality rate was largely driven by deaths among unvaccinated individuals aged sixty and older. According to UN statistics, North Korea has approximately 2,409,986 people aged sixty and older, all of whom are likely unvaccinated.