CED Public Policy Watch August 5, 2022

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1. DEVELOPMENTS ON UKRAINE

Grain exports: The first ship carrying previously blocked Ukrainian grain, the Sierra Leone-flagged *Razoni* carrying over 26,000 tonnes of corn, left Odesa, transited the Black Sea under escort, cleared inspection in Istanbul and passed into the Sea of Marmara on its way to Lebanon. Ukrainian President Zelensky called the news "the first positive signal that there is a chance to stop the spread of the food crisis'; Russia called it "very positive" as well. However, Zelensky also warned against "the illusion that Russia will simply refrain from trying to disrupt Ukrainian exports." Turkey, which is conducting the inspections through a Joint Coordination Center in Istanbul, said that "[t]he plan is for a ship to leave every day. If nothing goes wrong, exports will be made via one ship a day for a while." Clearing out the ships currently docked in Ukrainian ports would take just over two weeks and export nearly 580,000 tonnes of Ukrainian grain.

Military news: Ukraine faces a "brutal" battle for Kherson and the surrounding region, as Ukraine <u>claims</u> to have captured 46 points in the region while Moscow moved to <u>redeploy</u> troops from Donbas towards Kherson. Russia <u>claimed</u> to have carried out missile attacks in Mykolaiv and Kharkiv; one strike in Mykolaiv killed <u>Oleksiy Vadatursky</u>, who owned a company that builds grain storage facilities, and his wife. Ukraine <u>issued</u> a mandatory evacuation order for civilians remaining in Donetsk with continued heavy fighting there. Secretary of State Blinken <u>accused</u> Russia of using a Ukrainian nuclear power plant as a military base and "nuclear shield," which he termed "the height of irresponsibility." Ukraine <u>claimed</u>

that an explosion which killed 53 Ukrainian prisoners of war was a planned Russian operation, citing phone intercepts and the digging of gravesites at the POW barracks shortly before the attack.

Russia, for its part, <u>said</u> that the US was "directly involved" in the war because of providing direct targeting information to Ukraine, a claim the US strongly denies, although it maintains an intelligence sharing program with Ukraine. The US is <u>providing</u> \$550 million in additional ammunition to Ukraine, including for the High Mobility Advanced Rocket Systems (HIMARS) and other weapons. US- and other Western-supplied artillery and weapons will <u>likely be used</u> to assist Ukraine's counteroffensive. The US has provided a total of 16 HIMARS to Ukraine.

Energy developments: German Chancellor Otto Scholz <u>insisted</u> that a turbine for the Nord Stream 1 pipeline which had been sent to Canada for repair and is now in Germany works and should be delivered to Russia; however, Russia has not requested delivery of it. Former German Chancellor Gerhard Schroeder, who headed the now-<u>suspended</u> Nord Stream 2 undersea pipeline project, <u>told</u> German broadcasters after a visit to Russia that "the Kremlin wants a negotiated solution . . . A first success is the grain deal, perhaps that can be slowly expanded to a ceasefire." However, Schroeder reportedly refused to discuss other aspects of the war in the interview, including Russian attacks on civilians.

Report claims sanctions working: The Yale School of Management issued a report noting that Western business' departures from Russia and sanctions are "crippling" the Russian economy. The report argues that sanctions are working, assessing that Russia's "strategic position has a commodities exporter has irrevocably deteriorated, as it now deals from a position of weakness, and faces steep challenges executing a 'pivot to Asia' with non-fungible exports such as piped gas." Additionally, the report claims there are "widespread supply shortages" in Russia's domestic economy, "with no capacity to replace lost businesses, products, and talent [and] soaring prices. The report, using a proprietary dataset, estimates that "Russia has lost companies representing ~40% of its GDP, reversing nearly all of three decades' worth of foreign investment" and resulting in "patently unsustainable, dramatic fiscal and monetary intervention to smooth over these structural economic weaknesses," despite high energy prices; the report claims that "Kremlin finances are in much, much more dire straits than conventionally understood [.]"

Gazprom's output of natural gas is <u>reportedly</u> at its lowest level since 2008, at 774 million cubic meters in July, a drop of 14 percent from June and 12 percent lower year-on-year. However, supplies to China through the Power of Siberia pipeline rose by 61 percent, according to Gazprom.

Sanctions: The Treasury Department's Office of Foreign Assets Control formally published two series of general licenses concerning sanctions against Russia in the Federal Register; each had previously been issued by the Department. The licenses concern winding down transactions involving certain sanctioned Russian state corporations, transactions relating to civil aviation safety for aircraft registered outside Russia (General License No. 40), certain agricultural equipment (General License No. 41), and auctions to settle certain credit derivatives transactions (General License No. 45). Canada imposed additional sanctions on Russia affecting 43 individuals and 17 entities.

Senate ratifies NATO membership protocols: The US Senate <u>voted</u> 95-1 to ratify the accession protocols for Sweden and Finland to join NATO. Formal membership depends on the ratification process being completed in all 30 Allied countries. <u>More than half</u> of NATO members have already ratified the protocols.

2. PELOSI TRIP TO TAIWAN

House Speaker Nancy Pelosi's anticipated trip to Taiwan took place this week, as part of a regional tour that included <u>Singapore</u>, <u>Malaysia</u>, and Japan. Her plane took a circuitous route from Kuala Lumpur to Taipei, avoiding the South China Sea which China claims. As her plane landed in Taipei, the Washington Post published her <u>opinion piece</u> praising Taiwan, noting the US commitment to Taiwan under the Taiwan Relations Act of 1979, and declaring that "[i]n the face of the Chinese Communist Party's (CCP) accelerating aggression, our congressional delegation's visit should be seen as an unequivocal statement that America stands with Taiwan, our democratic partner, as it defends itself and its freedom" and noting that "the world faces a choice between autocracy and democracy."

She also noted, however, that the visit "in no way contradicts the long-standing one-China policy, guided by the Taiwan Relations Act of 1979, the U.S.-China Joint Communiques and the Six Assurances." During her visit, Pelosi spoke at the Legislative Yuan (parliament), met President Tsai Ing-wen, and visited a human rights memorial. In the US, a group of Republican Senators issued a statement supporting Pelosi's trip and reaffirming commitment to both the "One China" policy and the Taiwan Relations Act.

China had warned angrily against the trip and has responded forcefully in several ways, including conducting extensive live-fire drills in waters surrounding Taiwan through Sunday (essentially seeking to demonstrate its ability to conduct a blockade) and "precision missile strikes" in the Taiwan Strait. Japan said that five missiles landed in Japan's Exclusive Economic Zone north of Taiwan and protested these "serious threats to Japan's national security." Missiles may also have passed at very high altitudes "outside the atmosphere" above Taipei itself.

The US condemned the missile launches, <u>stating</u> that "China has chosen to overreact and use the speaker's visit as a pretext to increase provocative military activity in and around the Taiwan Strait," he said Thursday. "We will not be deterred from operating in the seas and the skies of the Western Pacific consistent with international law, as we have for decades supporting Taiwan and defending a free and open Indo-Pacific." Earlier, National Security Council spokesman John Kirby <u>warned</u> that "we expect that [China] will continue to react over a longer-term horizon." China also imposed economic sanctions on Taiwan, including a ban on export of natural <u>sand</u> (for construction) and <u>bans</u> on agricultural imports from Taiwan. The US <u>issued a demarche</u> to the Chinese Ambassador in response to the ballistic missile launches, and NSC spokesman John Kirby stated, "[w]e condemn the PRC's military actions, which are irresponsible and at odds with our long-standing goal of maintaining peace and stability across the Taiwan Strait."

The Taiwan Strait is essential to global trade routes, with ships from China, Japan, and Korea sailing through it into the South China Sea. Bloomberg data <u>suggests</u> that about half the global container fleet and 88 percent of the world's largest ships by tonnage have used the Strait in 2022, leading to fears that shipping could be delayed a few days, lengthening supply chains that depend on these sea routes.

3. PERSONAL INCOME AND OUTLAYS DATA HIGHLIGHT INTEREST RATE IMPACT

The Bureau of Economic Analysis released June <u>Personal Income & Outlays</u> showing US income growth fell in real terms in June (-0.3 percent), though real consumer spending expanded slightly (0.1 percent.) Headline Personal Consumption and Expenditures (PCE) rose 6.8 percent and Core PCE rose 4.8 percent over the last twelve months. The Conference Board's Economy, Strategy and Finance Center <u>states</u> that

"these readings will likely push the Fed to continue raising interest rates in large increments over the coming months and increase the probability and potential severity of a recession this year."

4. CONSTRUCTION SPENDING FALLS FOR FIRST TIME IN 2022

Construction spending in the US <u>fell</u> to an annualized seasonally-adjusted rate of \$1.762 trillion in June, 1.1 percent below the revised May estimate of \$1.782 trillion. This is the first time that construction spending has fallen in 2022. Construction spending is often debt-financed and sensitive to interest rates, which have been rising rapidly as the Fed increases the Federal Funds Rate. Private construction, the majority of US construction spending, fell 1.3 percent, and public construction fell 0.5 percent.

5. 528,000 JOBS ADDED IN JULY BUT SOFTENING DEMAND LIES AHEAD

Friday's Employment Situation Report from the Bureau of Labor Statistics (BLS) showed that the economy added 528,000 jobs in July and revised upwards June's estimate to 398,000, while the unemployment rate fell to 3.5 percent, showing that employment has returned to its pre-pandemic level. The Conference Board's Economy, Strategy & Finance Center noted that these figures show that the labor market remains robust but that because job openings have fallen for three consecutive months, "softening in labor demand lies ahead," adding that "the Fed will likely continue to rapidly raise interest rates over the coming months."

Job openings <u>fell rapidly</u> in June according to a separate BLS survey. The number decreased to 10.7 million, 5.4 percent below the May figure of 11.3 million, and 9.8 percent below the all-time high of 11.9 million set in March 2022. The largest portion of the drop in job openings in June came from retail trade (343,000). Hires in June dipped only slightly, to 6.4 million from 6.5 million in May. Total separations also remained relatively unchanged, dropping to 5.9 million from 6.0 million in May. Weekly <u>initial claims</u> for unemployment insurance were 260,000, an increase of 6,000 from last week's revised level and just 1,000 below the year-to-date high set two weeks ago. Lower job openings and steadily increasing unemployment claims both indicate falling demand for labor.

6. TRADE DEFICIT FALLS SUBSTANTIALLY FROM MARCH HIGHS

The US goods and services trade deficit <u>fell</u> \$5.3 billion in June to \$79.6 billion, down from \$84.9 billion in May, and down over 26 percent from the all-time high of \$107.6 billion set in March 2022. Lower trade deficits are directly linked to higher national saving of financial assets; the fewer financial assets are used to pay for foreign goods and services, the more savings are retained domestically. Lower trade deficits are also likely consistent with slower growth of domestic demand.

7. DOT ANNOUNCES WEATHER RESILIENCE PROGRAM USING BIL FUNDS

The Department of Transportation (DOT) Friday <u>announced</u> \$7.3 billion in formula funding "to help states and communities better prepare for and respond to extreme weather events like wildfires, flooding, and extreme heat." DOT <u>expects</u> that the funding will be used on the durability of surface transportation assets in extreme weather, resilient transportation in disasters, accessibility of evacuation or hospital routes, critical manufacturing centers, ports and intermodal facilities, and coastal or river infrastructure to protect against floods. DOT states these improvements will reduce the lifetime costs of infrastructure, even if near-term costs may rise.

8. REQUEST FOR INFORMATION ON MEDICARE ADVANTAGE PROGRAM

The Centers for Medicare and Medicaid Services (CMS) of the Department of Health and Human Services issued a Request for Information (RFI), which is often used to gather information as a precursor to rulemaking, on the Medicare Advantage program, seeking information on how "to strengthen Medicare Advantage (MA) in ways that align with the Vision for Medicare and the CMS Strategic Pillars." The Vision for Medicare is specifically focused on "more equitable, high quality, and whole-person care that is affordable and sustainable" and implies changes, over time, to the way care is currently delivered. CMS encouraged "input from a wide variety of voices on the questions below, including beneficiary advocates, plans, providers, community-based organizations, researchers, employers and unions, and all other stakeholders" -- a list that does not explicitly mention MA plans themselves. Health equity has been an increasing focus of the Administration, through "eliminating avoidable differences in health outcomes experienced by people who are disadvantaged or underserved," and CMS is explicitly seeking guidance on how to "enhance health equity for all enrollees through MA [.]" The RFI specifically asks respondents to comment on access to care in MA plans, particularly for underserved communities, tools necessary for beneficiaries to choose between traditional Medicare and MA and make a wise choice among MA plans, marketing elements of MA plans, and other questions.

MA, first <u>introduced</u> under the <u>Medicare + Choice Act</u> enacted in 1997, now covers <u>nearly 40 percent</u> of Medicare beneficiaries, and includes Health Maintenance Organization (HMO) plans, Preferred Provider Organization (PPO) plans, Private Fee-for Service plans, and Special Needs Plans. These plans generally offer bundled services under rules set by Medicare, which pays a fixed monthly amount to the plan, which is also allowed to charge out-of-pocket costs. MA plans also include those offered through employers and unions as, in effect, a continuation of previous coverage. But critics have charged that the program skews benefits in favor of <u>healthier</u> and higher-income beneficiaries who can afford to pay higher out-of-pocket costs and that it can <u>increase Medicare's costs</u>; for instance, a recent <u>study</u> suggests that dialysis providers charge the government 27 percent more under MA plans than under traditional Medicare. CMS has offered a very short comment period, with comments due by August 31.

9. JUSTICE SUES TO BLOCK PUBLISHING AND HEALTHCARE MERGERS

The Justice Department <u>filed suit</u> to block the proposed \$2.2 billion acquisition of Simon & Schuster by Penguin Random House, claiming that "this acquisition would enable Penguin Random House, which is already the largest book publisher in the world, to exert outsized influence over which books are published in the United States and how much authors are paid for their work" and noting that the lawsuit would "prevent further consolidation in an industry that has a history of collusion" and is already highly concentrated. The two companies are part of the "Big Five" group of book publishers. The Department argues that the merger would reduce competition in how much authors are paid for their work and that the transaction is "presumptively anticompetitive" under its Horizontal Merger Guidelines. This harm would extend to book consumers because "[a]uthors who are paid less, write less, which, in turn, means that the quantity and variety of books diminishes too." Best-selling author Stephen King is <u>expected to testify</u> at trial supporting the government's case. The Justice Department is also suing to prevent UnitedHealth Group's \$8 billion proposed takeover of Change Healthcare.

10. TEXAS POWER GRID

The Texas power grid <u>faced</u> unprecedented demands again <u>this week</u> as temperatures stayed consistently above 100 degrees. Demand was expected to reach 81.4 gigawatts on Thursday afternoon,

the first time demand has exceeded 80 gigawatts. However, winds in parts of the state pushed up use of renewable energy from wind power and other sources to 22 percent of electricity generation, according to figures from the Electric Reliability Council of Texas, the state's power grid, but prices on the "day ahead" spot market rose 145 percent to \$400 per megawatt-hour in the Dallas area. Texas' grid is not connected to that of other states, making it essential for the state to generate what it needs to cover demand, including through increased use of renewables.

11. HEARINGS FOR CYBERSECURTY DIPLOMAT

The Senate Foreign Relations Committee held a hearing on the nomination of Nathaniel Fick to be the US' first cyber ambassador at large. Fick, a current cybersecurity executive, recently published a report on "Confronting Reality in Cyberspace: Foreign Policy for a Fragmented Internet" noting the increasing challenges the US' vision of an open internet faces around the world. If confirmed, Fick would be responsible for a broad portfolio of global cybersecurity issues at the State Department.

12. PENNSYLVANIA SUPREME COURT AFFIRMS VOTE BY MAIL

The Pennsylvania Supreme Court issued a ruling <u>finding</u> "no restriction in our Constitution on the General Assembly's ability to create universal mail-in voting." Pennsylvania broadened opportunities for all voters to vote by mail for the 2020 election, and the provision has <u>continued</u> to be tested in court. Unless it is reversed by the US Supreme Court, the decision means Pennsylvania will use its current broad criteria for voting by mail for the November elections, including for Governor and the US Senate.

13. DOT RULE ON REFUNDS FOR AIR PASSENGERS

The Department of Transportation (DOT) is planning a new rule that would expand the obligations of airlines to offer refunds to passengers for flights change substantially from the original itinerary or schedule. Airlines would be required to offer refunds to passengers under the following circumstances: Timing for a domestic/international flight changes by more than three/six hours; the departure or arrival airport is changed; the number of layovers increases; or the aircraft type changes, causing a "significant downgrade in the air travel experience or amenities available onboard the flight." DOT notes that "since early 2020, the Department has received a flood of air travel service complaints from consumers with non-refundable tickets who did not travel because airlines canceled or significantly changed their flights." The air travel industry has struggled with pandemic issues, unstable demand, and staffing problems—including a shortage of pilots, who are difficult to train quickly.

14. AUSTRALIA SECURITY REVIEW

Prime Minister Anthony Albanese <u>announced</u> a review of Australian security policies based on increased geopolitical tensions in the Pacific, notably with China and around the world. The review, to be led by a former Defence Minister and Chief of the Defence Force, will focus on the best ways to address security challenges "over the next decade and beyond" given that "[t]he world is undergoing significant strategic realignment." The review is expected to consider how best to implement the <u>AUKUS agreement</u> between Australia, the US, and the UK, which is taking steps including on <u>hypersonic weapons and electronic warfare capabilities</u> as well as defense cooperation with other regional powers including Japan and Indonesia.

15. WORLD BANK REPORT ON FOOD PRICES

The World Bank's <u>Food Security Update</u> unsurprisingly reported very high food price inflation in much of the developing world following Russia's invasion of Ukraine, with increased costs amounting to more than 1 percent of GDP for many developing countries and more dire impacts in others. Food price inflation in Lebanon <u>reached</u> 332 percent year on year above Zimbabwe's 255 percent and Venezuela's 155 percent; Turkey placed fourth at 94 percent. However, the Bank also <u>noted</u> recent declines in global market prices for grains in June.

16. INDIAN RICE CROP

Reports <u>emerged</u> that rice plantings in India, the world's largest rice exporter with 40 percent of global market share and exports to over 100 countries, have fallen by about 13 percent this year because of low rainfall in some areas, including the states of West Bengal and Uttar Pradesh. This raises fears of continued global food price inflation and possible export restrictions such as India <u>imposed</u> earlier this year on wheat and sugar. Rice prices have already risen in India, with predictions that export prices could rise to about \$500 per ton, almost a 10 percent increase over the current price of \$365 per ton. A good monsoon could permit later plantings and increase eventual harvests; however, one analyst noted that "rarely any sowing happens after mid-July." India's current policy of using rice to produce ethanol may also have to change if yields drop considerably.

17. INDIA PROMOTES CLEANER FUELS

India, which will assume the presidency of the G-20 group of countries in December and has pledged to reach net zero greenhouse gas emissions by 2070, <u>published</u> a draft new law pushing consumers to use cleaner fuels and seeking to establish a market for carbon trading. India's Changes to the Energy Conservation (Amendment) Bill would focus on renewable energy, hydrogen as a source of zero emissions energy, and empower the Bureau of Energy Efficiency to develop a carbon trading market. India also plans to encourage compliance with energy consumption standards by giving energy savings certificates to those using less energy than the standards allow, while permitting those who use more energy to purchase the certificates. India is currently the world's <u>third largest emitter</u> of GHG, after China and the US, and seeks to cut 1 billion tons of carbon emissions during this decade.

18. NEW ZEALAND FOSSIL FUELS EXPLORATION

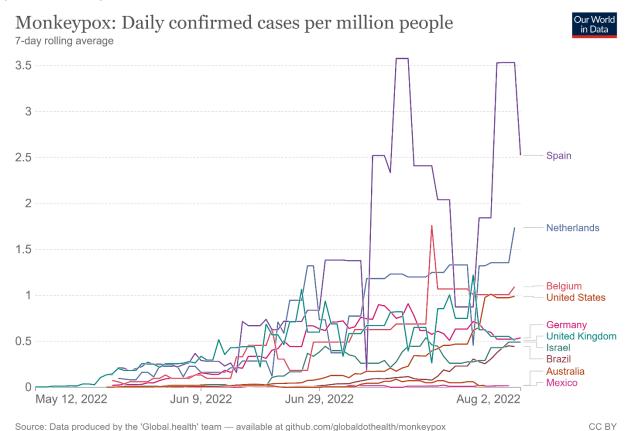
In a sign of how geopolitics has changed global energy markets, New Zealand is <u>continuing</u> with its decision to issue oil and gas exploration permits, despite the country's declaration of a <u>climate</u> <u>emergency</u>, arguing that its earlier declaration is of "insufficient weight" to cease exploration for fossil fuels. A decision in a case seeking to stop the permits is expected later this year.

19. MONKEYPOX UPDATES

On Thursday, the Administration declared monkeypox a <u>public health emergency</u> in a move aimed at speeding up the distribution of monkeypox vaccine. Public health emergencies can trigger grant funding and open up more resources for a stronger Federal response, including possible waivers of regulations. The announcement comes amid criticism of the government's response to the virus and concerns that the government may be repeating mistakes made in the early phase of the COVID-19 pandemic. Up to now, the focus has been to vaccinate high-risk individuals, but critics say availability has been limited

(currently, the US has only <u>received</u> enough vaccines from Jyennos, the world's only manufacturer of approved monkeypox vaccine, to cover 550,000 people. CDC Director Rochelle Walensky noted that the <u>declaration</u> will provide not only resources and increased access to care, but also expanded CDC ability to share data. On the day of the announcement, the US case count surpassed 6,600, according to <u>CDC data</u>. An <u>opinion piece</u> in *Fortune* by CED Trustees Ron Williams and Mike Swinford focuses on using lessons learned from the pandemic to address monkeypox response now.

The move also comes after state actions. California on Monday declared a <u>state of emergency</u> to speed efforts to combat the outbreak. Governor Gavin Newsom said the declaration will help the state coordinate a government-wide response, obtain more vaccines, and lead outreach efforts. California's decision <u>follows</u> Illinois, which declared monkeypox a public health emergency earlier Monday, and New York which declared a state disaster emergency in response to the outbreak on Friday. California, Illinois, and New York have reported 47 percent of all confirmed monkeypox infections in the country. Under California's <u>proclamation</u>, emergency medical personnel could administer vaccines, just as pharmacists may now administer vaccines for COVID-19 in the state.



The WHO <u>declared</u> monkeypox a global health emergency last month. Monkeypox has been reported in <u>76 countries</u> that have not historically reported monkeypox, with a total of 25,047 reported cases in these non-endemic countries. Monkeypox, a once-rare disease, has been <u>present</u> in parts of central and west Africa for decades. Experts note that the rapid growth in cases puts countries where outbreaks were once very rare at risk of experiencing permanent, or <u>endemic</u>, monkeypox. There are two paths to endemicity for monkeypox. The first scenario is when the virus infects people fast enough to outpace vaccination. "We are getting close to this already," James Lawler, an infectious disease expert at the University of Nebraska Medical Center. This type of endemicity is not always permanent, as it is

possible, although very difficult, to control human-to-human spread via vaccination and natural immunity. The second scenario is if the pox were to find a home in an animal species, such as squirrels or rats. If this happens, it will be "game over," according to Lawler. In this scenario, outbreaks would be frequent and big, just as in Central and West Africa. Dr. Ashish Jha, the White House COVID coordinator, recently told reporters that the WHO's declaration "will allow the United States and other partners to better collaborate, to share data and to get critical information out to high-risk communities." As of Wednesday, five children in the US have tested positive for monkeypox.

The Administration also <u>named</u> a veteran official to manage the US response to the monkeypox outbreak. Robert Fenton, a regional administrator for FEMA and twice its acting head, will serve as the <u>White House monkeypox coordinator</u>. Dr. Demetre Daskalakis, the director of the Division of HIV Prevention at the CDC, will serve as his deputy.

20. PANDEMIC NEWS

On July 29, the Department of Health and Human Services in collaboration with the Department of Defense <u>announced</u> an agreement to purchase 66 million doses of Moderna's bivalent COVID-19 vaccine candidate for potential use this fall and winter. The bivalent vaccine is designed to target both the original strain of the virus and the original Omicron variant. These 66 million doses come in addition to the 105 million bivalent vaccine doses the Administration recently purchased from Pfizer.

In a sign of a possible shift to a commercial model for COVID-19 treatments, Eli Lilly & Co. is <u>planning</u> to start commercial sales of its <u>bebtelovimab</u> monoclonal antibody treatment to healthcare providers including hospitals, and to states. With Federal pandemic funding running low, the Federal supply of the drug is quite limited, encouraging the move.

Showing the continuing importance of wastewater screening for COVID-19 and other diseases, the New York State Department of Health (NYSDOH) on July 21 <u>alerted</u> the public to a case of polio in Rockland County. Following the finding, NYSDOH launched wastewater surveillance, among other detection efforts, to search for signs of the virus. The collected wastewater samples are being shared with the Global Polio Laboratory Network (GPLN), which includes the CDC and the World Health Organization. In response to the COVID-19 pandemic, the CDC launched the <u>National Wastewater Surveillance System</u> (NWSS) in September 2020 to coordinate and build the nation's capacity to track the presence of SARS-CoV-2 in wastewater samples across the country. Health departments throughout the country <u>submit testing data</u> to the CDC through the online NWSS Data Collection and Integration for Public Health Event Response (DCIPHER) portal.

A <u>study</u> published late last month revealed that COVID-19 patients with elevated levels of MYL9 in their blood post-infection were likely to suffer from severe symptoms. The higher the level of the blood protein in a patient's blood, the longer their hospital stays were. The research team led by Japan's Chiba University Hospital <u>determined</u> that the protein could be used as a biomarker to predict the possibility of the development of severe disease. MYL9, a protein that exists in platelets, are used by the body to stop bleeding. When SARS-CoV-2 attacks the blood vessels in the lungs, MYL9 levels are seen to rise. The researchers noted that most of the samples used in the study were obtained between July 2020 through the end of that year, when the original strain of the virus was circulating. However, the team noted that the discovery is applicable to Omicron subvariants BA.4 and BA.5, as a similar leakage and inflammation around blood vessels had been detected in the lung cells of hamsters infected with the subvariants.

France <u>joined</u> the growing list of countries that has lifted entry restrictions for travelers, in time for the traditional August holidays.

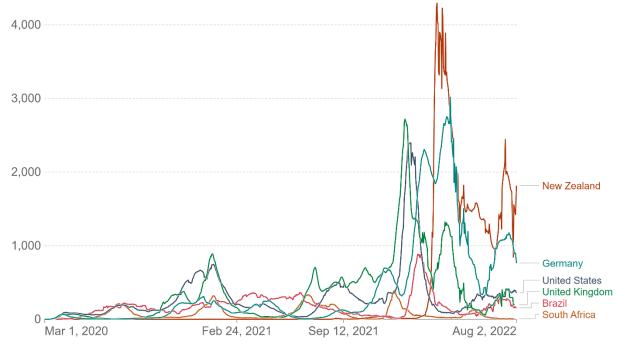
21. COUNTRY SPOTLIGHT: NEW ZEALAND

New Zealand is one of the few countries that showed enormous success in curbing COVID-19 infections and deaths during the first two years of the pandemic, adhering to strict lockdown measures and tight borders. The government dropped its zero-COVID policy earlier this year once the population was largely vaccinated. Since then, the virus has spread rapidly, largely from the highly transmissible Omicron subvariants. The Omicron BA.5 subvariant is driving the current wave of infections and COVID-related deaths in New Zealand. Emergency departments and medical centers are <u>under pressure</u>, but the government is hesitant to reinstate curbs on public gatherings.

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

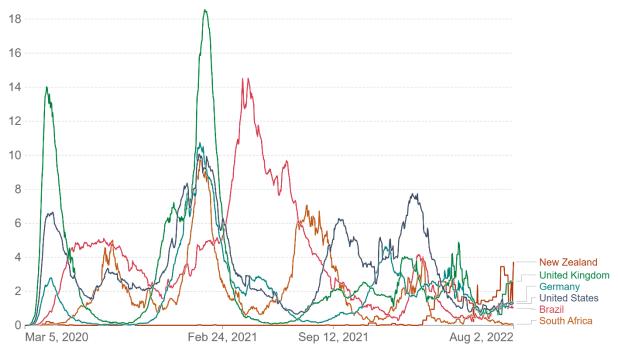
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The number of people dying from COVID-19 in New Zealand has surged in recent months, with the country tallying <u>168 deaths</u> in the week ending July 25, up from 163 the previous week. Of the 2,093 COVID-19-related deaths reported since the start of the pandemic, more than 2,000 have occurred since March; the large majority of recent deaths are of older individuals. Of the <u>33 deaths reported</u> on August 1, two were aged in their 60s, five in their 70s, 12 in their 80s, and 14 were aged over 90.

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

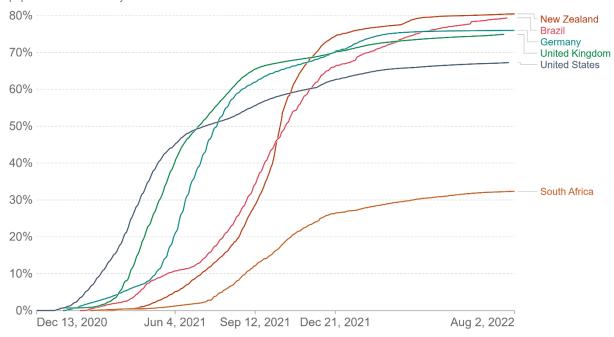
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On August 1, New Zealand <u>fully reopened its borders</u> to tourism. The move has the country's borders fully open for the first time since March 2020. Most visitors will be required to show proof of full vaccination, but there are no quarantine requirements. New Zealand's maritime border has also reopened to cruise ships and foreign recreational yachts. "We, alongside the rest of the world, continue to manage a very live global pandemic, while keeping our people safe," said Prime Minister Jacinda Ardern in a speech at the China Business Summit in Auckland on Monday. "But keeping people safe extends to incomes and wellbeing too." Tourism, including visiting cruise liners, the first of which is expected to dock in Auckland around mid-August, and international students were big contributors to New Zealand's economy in the days before the pandemic. However, the tourism sector is expecting a <u>slow return</u> to pre-COVID levels, according to Tourism New Zealand chief executive Rene de Monchy.

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.



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.