

CED Public Policy Watch
August 12, 2022

1. DEVELOPMENTS ON UKRAINE
2. INFLATION REDUCTION ACT MOVES TO HOUSE VOTE
3. CPI EASES SLIGHTLY TO 8.5 PERCENT IN JULY ON ENERGY COSTS
4. FEDERAL BUDGET DEFICIT FALLING; TAX COLLECTIONS RISE
5. INITIAL UNEMPLOYMENT CLAIMS CONTINUE STEADY RISE
6. UNIFIED REGULATORY AGENDA PUBLISHED
7. EPA TO PUBLISH REVISED OIL AND GAS SECTOR EMISSIONS RULES
8. TRANSPORTATION DEPARTMENT REGULATORY AGENDA
9. ENERGY DEPARTMENT IMPLEMENTATION OF BIPARTISAN INFRASTRUCTURE LAW
10. LABOR DEPARTMENT TO PROPOSE RULES ON OVERTIME EXEMPTIONS, H-2 B VISAS
11. NEW FEDERAL CYBERSECURITY REGULATIONS
12. PUBLIC-PRIVATE COLLABORATION ON SUPPLY CHAIN DATA SHARING
13. NEW YORK CITY CONGESTION CHARGE
14. CONTINUING FALLOUT OVER PELOSI VISIT TO TAIWAN
15. JAPAN TO CONSIDER RESTARTING NUCLEAR POWER
16. MONKEYPOX UPDATES
17. PANDEMIC NEWS
18. COUNTRY SPOTLIGHT: CHINA

1. DEVELOPMENTS ON UKRAINE

Military news: The UK Ministry of Defence [stated](#) that it believes the war is about to enter a “new phase, with the heaviest fighting shifting to a roughly 350 km frontline stretching south-west from near Zaporizhzhia to Kherson, paralleling the Dnieper River” -- part of a broad Ukrainian counteroffensive focusing first on damaging Russia’s ability to resupply its troops in southern Ukraine. Russia is continuing to move forces from the eastern Donbas region to the new area of fighting in the south, including via Crimea (linked to mainland Russia by a bridge). The Ministry also [said](#) that Russia has “almost certainly” set up a new ground force to support the war but that Russia was still [struggling](#) to raise the troops it needs and is [reluctant](#) to call for an unpopular mobilization.

President Zelensky [spoke](#) of the need to liberate Crimea from Russian occupation, as “[t]his Russian war against Ukraine and against the entire free Europe began with Crimea and must end with Crimea -- with its liberation.” However, Ukraine [denied responsibility](#) for an attack on a Russian air base in western Crimea, more than 100 miles away from the frontline of fighting, which [destroyed](#) up to a dozen aircraft. The Belarusian air force [conducted](#) live fire drills near the Ukrainian border. Russia launched an Iranian satellite; the *Washington Post* [reported](#) that Russia had told Iran it “plans to use the satellite for several months, or longer, to enhance its surveillance of military targets” in Ukraine, while Iran has [denied](#) the satellite would be under Russian control.

Concern over nuclear plant: The nuclear plant at Zaporizhzhia in southeast Ukraine, occupied by Russia, was a major focus of attention this week as Ukraine’s state nuclear power company EnergoAtom [claimed](#) that Russian shelling hit a high-voltage power line and that attack continued over the weekend, using rocket-propelled grenades “near one of the power units where the nuclear reactor is located,” with “risks of hydrogen leakage and sputtering of radioactive substances. The company [warned](#) that

“[t]his time a nuclear catastrophe was miraculously avoided, but miracles cannot last forever.” Ukraine also [claimed](#) that Russia is [firing](#) from the facility knowing that Ukraine cannot respond without risking a nuclear disaster at the plant.

Ukraine [stated](#) to the International Atomic Energy Agency that the plant’s staff is “working under the barrels of Russian guns” as Ukraine raised concerns that Russia was seeking to disconnect the facility, currently operating with only one power line rather than the usual four, from the Ukrainian grid and link it to the Russian grid instead. That process would be “extremely dangerous,” as EnergoAtom President Petro Kotin [noted](#) that “[w]hen the last production line is disconnected, the plant will be powered by generators running on diesel. Everything will then depend on their reliability and fuel stocks.” Kotin [analogized](#) the situation as “very close to this first stage of Fukushima-1,” referring to the nuclear incident after the Great Tohoku Earthquake and associated tsunami in Japan in 2011, in which power was cut off to the reactor and meltdown of nuclear materials occurred. He raised the possibility that “[g]reat release of radioactivity could happen” if the diesel generators failed. The UN Secretary General [called](#) for international monitors to be given access to the nuclear plant, and the International Atomic Energy Agency [briefed](#) the UN Security Council on the situation.

Russia proposes referendum in Zaporizhzhia: The Russia-backed head of the government in Zaporizhzhia officially [signed](#) a decree to begin preparations to hold a referendum on joining Russia, a move that underscores the urgency of the Ukrainian counteroffensive in the south.

Political developments: President Putin [met](#) Turkish President Recep Tayyip Erdoğan in Sochi, Russia, for talks, during which Putin stated that the TurkStream pipeline was the only pipeline to the West running “smoothly . . . in contrast to every other route supplying our hydrocarbons.” Russia [suspended](#) an agreement under the New START arms reduction treaty under which US inspectors visit Russian nuclear weapons sites. The Chinese ambassador to Russia [called](#) the US the “main instigator” of the crisis in an interview with the Russian state news agency TASS.

Additional US and European military and economic aid: The US will [send](#) an additional \$1 billion in military aid to Ukraine, including ammunition for the High-Mobility Artillery Rocket Systems (HIMARS) and other artillery, for a total of over \$9 billion in military assistance since February. The aid is [believed](#) to be focused on Ukraine’s counteroffensive towards Kherson; if successful, that advance would prevent Russia from holding referendums in southern Ukraine on incorporation into Russia. Separately, the Defense Department [estimated](#) that it believes Russia has suffered 70,000 to 80,000 total casualties during the war. Britain, Denmark, and Germany will also provide increased military aid, with Chancellor Olaf Scholz [stating](#) that Germany “is shipping arms — a great, great many, sweeping and very effective. And we will continue to do so” in what he described as a “massive” shift in policy.

The US also [agreed](#) to provide \$4.5 billion in new aid to the Ukrainian government through the World Bank, with \$3 billion being sent in August. Since June, the US, through USAID, has transferred \$3 billion of government aid to help maintain essential Ukrainian government functions other than defense. Ukraine faces a fiscal shortfall of nearly \$5 billion per month, and the World Bank [estimates](#) that 55 percent of Ukrainians will live in poverty by the end of next year, over a 20-fold increase from the 2.5 percent figure before the war. Ukraine’s creditors [agreed](#) to a two-year freeze on debt repayments on about \$20 billion in bonds, avoiding a potential default and saving the country about \$6 billion.

Grain shipments in Black Sea: A total of [12 ships](#) carrying grains including corn and sunflower meal had departed from Ukrainian ports by Wednesday, and several had arrived in Turkey for their inspections

before proceeding on to their final destinations. Shipments of wheat are [expected](#) to begin next week. Traffic going to Ukraine is expected to rise in coming weeks, with “tremendous interest” from shippers, according to the Joint Coordination Center in Istanbul implementing the grain agreement, which issued instructions to shippers on Monday explaining how to apply for permits to reach Ukraine. Frederick Kenney, interim UN coordinator at the Center [said](#) he has been “extremely impressed with the level of cooperation and coordination that has been displayed.”

McDonalds to reopen some Ukrainian locations: McDonalds, which closed its restaurants in Ukraine at the beginning of the war but has continued to pay its nearly 10,000 employees there, is [reportedly](#) planning to reopen some restaurants in Kyiv and western Ukraine. The company pulled out of Russia with US and Western sanctions in February.

2. INFLATION REDUCTION ACT MOVES TO HOUSE VOTE

The proposed [Inflation Reduction Act](#), negotiated by Senator Joe Manchin (D-WV) and Majority Leader Charles Schumer (D-NY), [passed](#) the Senate on a party line vote on Sunday. The bill is scheduled for a vote Friday in the House of Representatives. Democrats hold 220 seats in the House to Republicans' 210, so the bill will require support from almost every Democrat in the House to pass and is likely to do so, as no Democrat has yet signaled an intention to vote against the bill. Republicans in Congress have thus far demonstrated unanimity in opposition to the bill, arguing against the additional government spending in the bill and provisions that would raise some taxes. During Senate debate, a deal was struck with Sen. Krysten Sinema (D-AZ) that removed a previous provision taxing carried interest at ordinary income rates (costing \$13 billion in revenue) and modified the 15 percent minimum tax on corporate book income to permit faster depreciation, which lowered the projected revenues from the tax by nearly \$100 billion, from \$313 billion to [\\$222 billion](#). To recover some revenue, the bill now includes a \$74 billion tax on repurchases of public company shares. The tax would be assessed at 1% of the fair market value of the shares repurchased, starting in calendar year 2023.

Overall, the bill as revised after Senate debate includes an estimated \$485 billion in new spending (mostly in cleaner energy tax credits and extending healthcare subsidies) and about \$760 billion in deficit reduction (including about \$322 billion in healthcare savings), for about \$275 billion in net deficit reduction. The plan raises revenues through a 15 percent minimum tax on corporate book income (\$213 billion), an excise tax on stock buybacks (\$74 billion), and additional funding for the IRS to enforce existing tax laws (which, net of costs, results in \$124 billion of deficit reduction).

3. CPI EASES SLIGHTLY TO 8.5 PERCENT IN JULY ON ENERGY COSTS

The Consumer Price Index [rose](#) 8.5 percent year-over-year in July -- one of the highest CPI readings in decades but lower than the 9.1 percent set in June. Core CPI, which excludes volatile food and energy prices, increased 5.9 percent. On a monthly basis, headline CPI was unchanged; all inflation in the headline twelve-month number came prior to last month. However, core CPI rose 0.3 percent. The relatively low headline numbers were driven by a drop in energy prices, as retail gasoline prices fell 7.7 percent in July. Those falling gas prices offset broader price pressures in the rest of the economy. The New York Federal Reserve's [Survey of Consumer Expectations](#) showed that median one-year and three-year inflation expectations declined sharply, from 6.8 and 3.6 percent in June to 6.2 and 3.2 percent in July, respectively, suggesting that lower gas prices weigh strongly on inflation expectations.

4. FEDERAL BUDGET DEFICIT FALLING; TAX COLLECTIONS RISE

The Congressional Budget Office [reported](#) Monday that the Federal budget deficit was \$727 billion for the first ten months of Fiscal Year 2022 (October 2021 through July 2022). This was \$1.8 trillion less than the same figure last year and \$140 billion less than the comparable pre-pandemic figure in FY 2019. The falling deficit is attributable to two factors: a growing economy, resulting in higher tax revenues, and a sharp reduction in pandemic relief spending. Revenues were \$789 billion higher than the equivalent period last year, owing mostly to taxes on individual income (\$559 billion higher than last year) payroll (\$150 billion) and corporate income (\$33 billion). Spending was \$1.0 trillion less than last year, the result of many pandemic-related programs winding down. However, spending on Social Security, Medicare, Medicaid, and interest on the public debt all increased. Separately, the [Monthly Treasury Statement](#) showed that the Federal government collected \$4.105 trillion in taxes and other receipts for the first ten months of the fiscal year, a record and up 13.9 percent over the same period's collections of \$3.601 trillion (also a record) in Fiscal Year 2021.

5. INITIAL UNEMPLOYMENT CLAIMS CONTINUE STEADY RISE

The [advance figure](#) for seasonally adjusted initial claims for unemployment benefits was 262,000, a new high for 2022 and an increase of 14,000 from last week's revised level. Claims have steadily risen since the beginning of April, where they marked a low of 166,000. The steady rise in unemployment claims indicates falling demand for labor.

6. UNIFIED REGULATORY AGENDA PUBLISHED

The Federal Government's Spring 2022 [Unified Regulatory Agenda](#) was finally published in the *Federal Register* this week. The Agenda requires agencies to report on significant regulatory actions that agencies plan for the next year, including proposed deregulations, and helps to administer the regulatory planning mechanism established in 1993 by [Executive Order 12866](#). The entire Agenda may also be viewed at <http://reginfo.gov/>.

7. EPA TO PUBLISH REVISED OIL AND GAS SECTOR EMISSIONS RULES

EPA [announced](#) in its Unified Regulatory Agenda submission that its final regulation modifying sources and emission guidelines for the oil and natural gas sector will be published sometime in October. Comments on the original [proposal](#), designed to reduce methane and volatile organic compound (VOC) emissions, tighten the new source performance standard issued in 2020, and cover both new and existing emissions sources in the sector, were due in January 2022, and EPA has been reviewing comments since that time.

8. TRANSPORTATION DEPARTMENT REGULATORY AGENDA

On Monday, the Department of Transportation released its [semiannual regulatory agenda](#). It focuses on rulemaking required by the Bipartisan Infrastructure Law, including minimum standards and requirements for the network of electric vehicle charging stations and the requirement that Federal Transit Administration fund recipients add a risk reduction program to their safety plans. DOT also proposed a rule requiring a minimum of two train crewmembers for over-the-road railroad operations. Unions have typically supported the two-person minimum, while railroads have hoped to experiment

with one-person crews to lower costs. DOT also plans to establish more consumer protections for air travelers whose flight itineraries are modified.

9. ENERGY DEPARTMENT IMPLEMENTATION OF BIPARTISAN INFRASTRUCTURE LAW

The Department of Energy Wednesday [launched](#) two new program offices to implement elements of the Bipartisan Infrastructure Law. The [Grid Deployment Office](#) will oversee \$17 billion in investments in energy transmission and distribution, reflecting the needs of a growing population and cleaner energy sources, which often have greater transmission needs. The Office will also manage programs to help keep nuclear power plants from retiring if they can operate safely and reliably. The [Office of State and Community Energy Programs](#) will manage \$6 billion in funds to collaborate with state and local governments and organizations on clean energy, weather assistance, and energy efficiency.

10. LABOR DEPARTMENT TO PROPOSE RULES ON OVERTIME EXEMPTIONS, H-2 B VISAS

The Department of Labor's [semiannual regulatory agenda](#) includes proposed rules that may expand the number of minimum wage and overtime-eligible employees under the Fair Labor Standards Act and reform the standards for H2-B visas. The Wage and Hour Division is reviewing [29 CFR 541](#), which exempts executive, administrative, and professional employees from the Fair Labor Standards Act's minimum wage and overtime requirements. In addition, the Department is planning to amend regulations for H2-B visas, typically used to fill seasonal and itinerant jobs.

11. NEW FEDERAL CYBERSECURITY REGULATIONS

In its [semiannual regulatory agenda](#), the Department of Defense laid out cybersecurity standards for companies in the defense industrial base, implementing provisions of the National Defense Authorization Act for Fiscal Year 2020. Two priorities were protecting contractors' controlled unclassified information (information that requires protection under laws, regulations, or government-wide policies, but that does not qualify as classified) and protecting their intellectual property. Contractors would be required to account for the flow of information down to subcontractors in a multi-tiered supply chain. In addition, DOD, GSA, and NASA are [proposing](#) to amend the Federal Acquisition Regulation (FAR) to increase information-sharing about cyber threats; notably, contractors would be required to report cyber incidents to the Federal government to help to coordinate a response.

12. PUBLIC-PRIVATE COLLABORATION ON SUPPLY CHAIN DATA SHARING

The Department of Transportation on Wednesday [hosted](#) a meeting of the Freight Logistics Optimization Works (FLOW) partners, a business council formed in March focused on improving freight supply chains throughout the country. Participants discussed ways to increase information sharing between businesses and government to give firms more accurate data on the status of supply chains. "We look forward to continuing to collaborate with industry to develop this tool to enable industry to make more informed decisions that will improve the movement of goods along our supply chain," said Port and Supply Chain Envoy [Gen. Stephen Lyons](#).

13. NEW YORK CITY CONGESTION CHARGE

The Department of Transportation's Federal Highway Administration approved New York City's proposed congestion charge, a daily variable pricing toll of up to \$23 for vehicles entering Manhattan's

central business district south of 60th Street. The proposal was first made in 2019 but the Trump Administration did not act on the proposal. The city estimates that the charge could reduce the number of cars entering Manhattan by 15 to 20 percent. Comments on FHWA's approval are due September 9; once the agency gives final approval, the charge could begin late next year. Congestion charges are used in several major world cities, including [London](#), [Milan](#), [Singapore](#), [Stockholm](#), and [San Diego](#).

14. CONTINUING FALLOUT OVER PELOSI VISIT TO TAIWAN

China [announced](#) last Friday that it has suspended contact with the US in areas such as climate in response to Speaker Nancy Pelosi's visit to Taiwan. During military exercises over the weekend, 20 Chinese aircraft [crossed](#) the meridian line of the Taiwan Strait in what Taiwan described as a simulated attack. China's Eastern Theatre Command [announced](#) new military drills on Monday, now concluded, with a focus on anti-submarine and sea assault operations; Taiwan's Ministry of Defense noted that China's new no fly zones and repeated crossings of the meridian line "compressed" Taiwan's training space and will affect commercial airline operations. Professor M. Taylor Fravel of MIT's Security Studies Program [noted](#) that "[w]e will probably see different elements of what China has been doing this week become a much more regular occurrence. There is a new normal, or a new status quo, in terms of [the] military presence that China will have around Taiwan."

China also [released](#) a white paper on Taiwan, its first since 2000, declaring that "[w]e will work with the greatest sincerity and exert our utmost efforts to achieve peaceful reunification. But we will not renounce the use of force, and we reserve the option of taking all necessary measures" and that provocations from "separatist elements or external forces" would force "drastic measures." For Taiwan itself, reunification would mean less autonomy than previously promised: the white paper did not reaffirm China's previous position in its 1993 and 2000 white papers that after reunification, the government "would not send troops or administrative personnel to be based in Taiwan [.]". The white paper also warned the US that continued support for Taiwan would "continue to escalate tension across the strait, further disrupt China-US relations and severely damage the interests of the US itself." Taiwan [rejected](#) the white paper's "one country, two systems" approach, with Foreign Ministry spokeswoman Joanne Ou saying that only Taiwan's people can decide its future.

During a visit to the Philippines, Secretary of State Blinken [said](#) that China should not "hold hostage cooperation on matters of global concern because of differences between our two countries" and that China's ending of cooperation on climate "punishes the world," as "[t]he world's largest carbon emitter is now refusing to engage on combatting the climate crisis."

15. JAPAN TO CONSIDER RESTARTING NUCLEAR POWER

Japan's new industry minister Yasutoshi Nishimura, installed this week in a Cabinet reshuffle, has [expressed](#) interest in restarting Japanese nuclear power plants, shut since the Fukushima-1 nuclear incident in 2011, "to secure stable energy supplies . . . after safety is assured." Japan lost access to Russian gas after Russia seized stakes in the Sakhalin-2 gas project, including shares owned by two Japanese companies. Russia is setting up a new entity, with a majority stake held by Gazprom, to replace the old structure, and the former industry minister government encouraged Japanese companies to "[think positively](#)" about joining it, despite Japanese sanctions on many aspects of the Russian economy. Nishimura promoted nuclear power as a means to move towards carbon neutrality. Nuclear power has been unpopular in Japan since the 2011 incident, but polls [show](#) rising support, nearly 50 percent, for nuclear energy after the war in Ukraine.

16. MONKEYPOX UPDATES

On Tuesday, the FDA issued an [Emergency Use Authorization](#) to use the intradermal injection method, which goes just under the skin, for the Jynneos vaccine in individuals aged 18 and older who are considered at high risk for the Monkeypox infection. This switch to allow the vaccine intradermally, rather than subcutaneously, or under a layer of fat, will require only a fifth of the traditional dose, increasing supply. Jynneos was [approved](#) for subcutaneous injection in 2019 for the prevention of smallpox and monkeypox in adults determined to be at high risk. Two doses, four weeks apart, will still be needed for long-lasting protection. [Intradermal injection](#) permits smaller dosing as the skin is home to a number of immune cells that trigger a potentially stronger immune response. "It's actually a very good technique and it makes sense to go forward with it," said Dr. Jon Andrus, an infectious disease specialist at George Washington University. Intradermal injection also presents challenges, as administering vaccines intradermally requires special training.

There is also limited evidence that this method will work on monkeypox, as it is based on a 2015 [study](#). The manufacturer sent a [letter](#) to HHS and FDA expressing concerns about the dose-sharing plan without requiring collection of additional data on safety given evidence of additional reactivity to the intradermal method, which it is concerned "may have a negative impact on vaccine uptake and coverage." Secretary of Health and Human Services Xavier Becerra [responded](#) publicly that "[w]e wouldn't have moved forward unless we thought it was safe and effective, and if FDA hadn't dotted its I's and crossed its T's."

As of August 9, there have been approximately 9,500 [cases of monkeypox](#) reported throughout the country. Case counts are highest in New York (2,104), California (1,310), Florida (976), Georgia (749), Texas (748), and Illinois (701). So far, the US has reported no deaths in relation to the disease. However, patients experience very [painful lesions](#), and many need hospitalization to manage the pain. Five children have been diagnosed in the US, with two cases in [California](#), two in [Indiana](#), and one infant traveling through [Washington DC](#). The WHO and CDC say children are more prone to develop [severe disease](#) or complications from monkeypox compared with teens and adults. However, experts say parents should not worry as the new school year approaches. "We're not expecting that childcare settings and schools will see rampant monkeypox infections run through kids," said Dr. Ibukan Kalu, assistant professor of pediatrics at the Duke School of Medicine and a medical director of pediatric infection prevention at Duke University Medical Center.

17. PANDEMIC NEWS

On Thursday afternoon, CDC loosened many of its recommendations for battling COVID-19, in a [strategic shift](#) that will now place responsibility principally on the individual rather than on institutions such as schools and businesses. Institutions will no longer need to screen seemingly healthy individuals as a matter of course. The agency also no longer recommends physical distancing of six feet apart to reduce risk of exposure, and it has ended its recommendation that unvaccinated people exposed to the virus should quarantine for five days. (However, CDC continues to recommend that those who test positive should continue to self-isolate and get tested after five days.) Additionally, the new guidelines say that contact tracing of positive cases should be limited to hospitals, nursing homes, and other high-risk settings. CDC [recommends](#) that COVID-19 prevention measures be tailored to a person's individual risk of becoming severely ill and on community levels of viral spread. A report CDC released Thursday explained that the new measures will allow for focus on "sustainable measures to further reduce medically significant illness as well as to minimize strain on the health care system, while reducing

barriers to social, educational, and economic activity.” In presenting the new recommendations, CDC epidemiologist Greta Mazzetti noted that “[t]he current conditions of this pandemic are very different from those of the last two years” and Harvard School of Public Health epidemiologist William Hanage called the new guidance “entirely reasonable” but also said that “[m]y major concern is whether they will continue to be entirely reasonable given the unpredictable dynamics of the virus.”

The CDC is tracking a new “variant of concern”: BA.4.6. The new variant has been growing in its [share of US cases](#) in recent weeks, with BA.4.6 comprising 4.8 percent of cases in the week ending August 6, up from 4.2 percent the previous week. The new variant is even more [prevalent across the Midwest](#), with Iowa, Kansas, Missouri, and Nebraska seeing over 10 percent of cases coming from the new variant. There is currently no data to determine whether BA.4.6 is more successful at evading immunity compared to BA.4 and BA.5.

In December 2021, CDC [shortened](#) the isolation period for COVID-19 positive patients from ten days to five. However, most people do not begin testing positive that soon after the onset of symptoms. "If your test turns out to be positive after five days, don't be upset because the majority of people still test positive until at least Day 7, to Day 10 even," Dr. Clayton Chau, director of the Orange County Health Care Agency. A [study](#) CDC published in February found that 54 percent of patients had positive antigen tests between five and nine days after symptom onset or initial diagnoses. Researchers found that the proportion of positive follow-up tests was lower after asymptomatic than symptomatic infection. The isolation period has come into question once again as Paxlovid rebound cases are becoming more common, though Paxlovid remains highly effective. "People who take Paxlovid don't get as seriously ill and, if they have rebound symptoms, those rebound symptoms aren't as severe," noted Orange County Deputy Health Officer Dr. Matthew Zahn.

A [new study](#) from researchers at Yale and the School of Medicine at Mount Sinai [found](#) that sharp decreases in levels of the stress hormone cortisol were a strong predictor of developing long COVID, with levels about half of those in healthy people who have recovered from COVID-19. Long COVID affects roughly 10-20 percent of COVID patients. Researchers have focused on the endocrine system in examining potential causes of long COVID, and this group found that low cortisol and increased levels of the IL-8 and galectin-1 proteins could help develop a set of biomarkers to identify long COVID.

A University of Hong Kong peer-reviewed [study](#) published in *Nature* last week outlines for the first time how COVID-19, among other coronaviruses, boost their ability to reproduce themselves through exploitation of a patient's antiviral defense system. The study found that SARS-CoV-2, MERS-CoV, and SARS-CoV-1 could exploit a type of cysteine-aspartic protease called caspase-6, an enzyme that breaks down protein, in an infected human body to facilitate viral replication. Professor Yuen Kwok-yung, lead researcher in the study and government health advisor, considers the [findings](#) an unexpected breakthrough in virology. Researchers involved in the study say that the discovery may lead to more effective treatment for coronaviruses; an inhibitor of caspase-6 could limit the replication of COVID-19.

A [new virus](#) transmitted from animals to humans has infected 35 people in the Shandong and Henan provinces of China, according to a study by scientists in China, Singapore, and Australia. The Henipavirus, also called Langya henipavirus or LayV, was first detected in 2018 but identified only last week. It was identified thanks to an early detection system for people experiencing fever who have had recent close contact with animals. As of now, there is no evidence of human-to-human transmission. The virus is novel, meaning it has not infected humans before. As more tracking systems are now in place following the COVID-19 pandemic, more of these novel viruses are being identified and tracked.

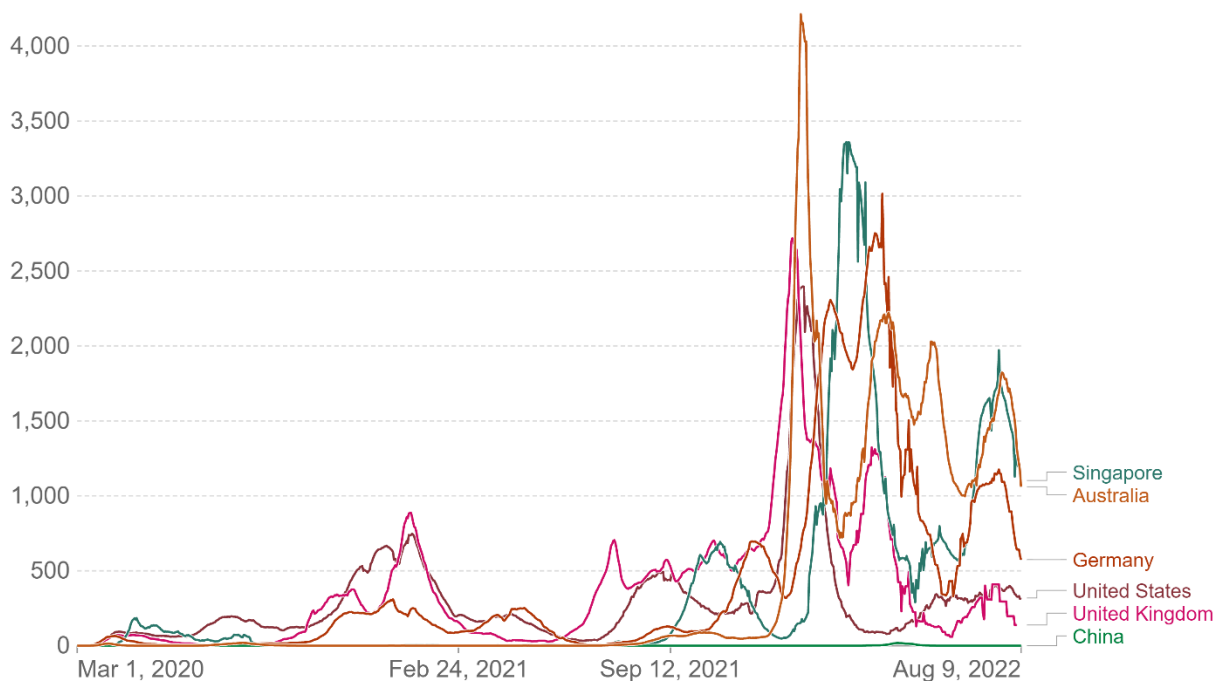
18. COUNTRY SPOTLIGHT: CHINA

Driven by the highly infectious Omicron variant, an [outbreak](#) infecting 1,200 people in Sanya, Hainan Province, has resulted in the lockdown of the city of one million people, including 80,000 tourists. Sanya, [dubbed](#) “the Hawaii of China,” is a popular destination for Chinese families who flock to its sandy beaches and luxury resorts. On Saturday, city officials cancelled 80 percent of flights departing from Sanya, according to flight tracking company Variflight, and all trains departing from the city were cancelled, according to a Chinese state broadcaster. Mass testing across the island is underway with the help of medical workers who have been flown into Hainan from across the country. To leave Sanya, visitors must show proof of five negative COVID-19 tests taken over a period of seven days.

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

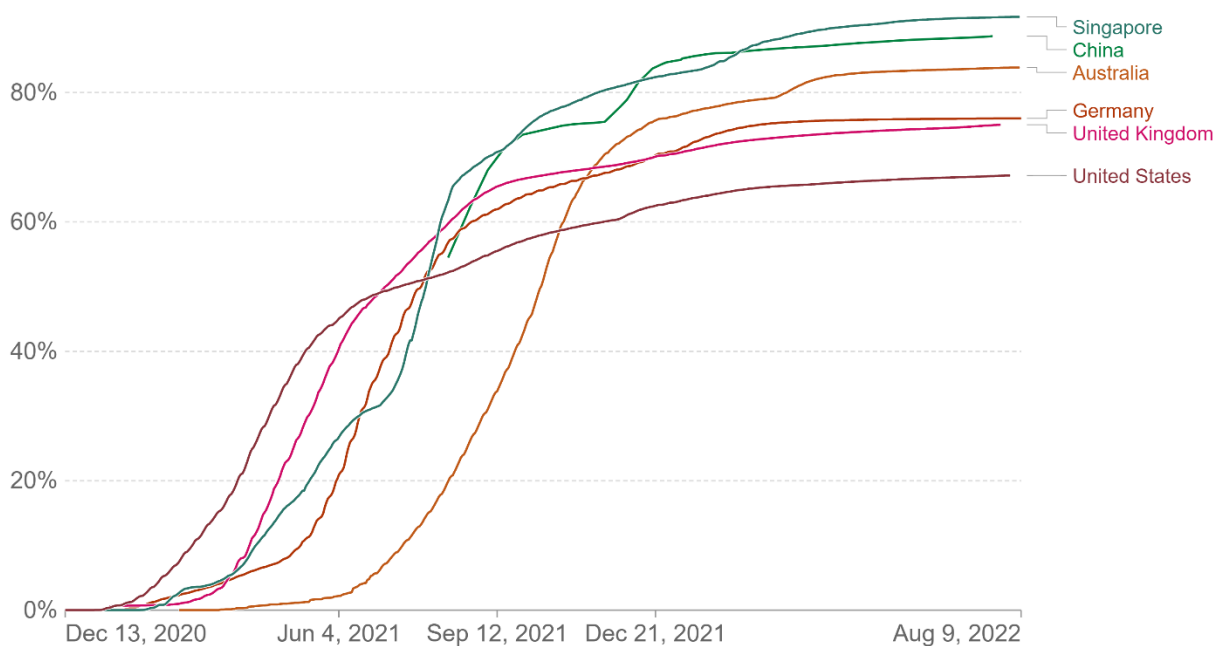
CC BY

An outbreak of 1,200 cases is considered severe considering China's strict zero tolerance measures, which are increasingly at odds with those of the rest of the world. Not only is China's zero tolerance ordeal hurting the Chinese economy, but it may also be exacerbating the country's [demographic downturn](#). Studies have shown that the pandemic and economic uncertainty weigh on birth rates around the world, but this trend appears to be particularly true in the case of China amid the COVID-19 crisis. During the April-May lockdowns, the Twitter hashtag “we are the last generation” briefly went viral in response to the incidence of a man visited at his home by authorities threatening to punish his family for three generations for not following COVID-19 rules. “Many young couples are scared of becoming pregnant because China's lockdown measures are so strict,” noted Yi Fuxian, a senior scientist at the University of Wisconsin-Madison. Yi believes that the Chinese government's strict policies will exacerbate [low fertility](#) and marriage rates this year. “Without any warning, your apartment building or whole neighborhood could be locked down if a case emerges, creating anxiety for pregnant women who need access to medical care,” he added.

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

CC BY

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.