

***CED Public Policy Watch
Weekly News Round-up
December 16, 2022***

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1. DEVELOPMENTS ON UKRAINE

G-7 meeting: Speaking to leaders of the G-7 countries, President Zelensky [said](#) that he offered Russia the “opportunity to make a real, meaningful step towards diplomatic settlement” by starting “withdrawing Russian troops from internationally recognized borders of Ukraine this Christmas.” Kremlin spokesperson Dmitry Peskov responded that Ukraine had to accept that Russia had annexed four Ukrainian provinces and that “[w]ithout taking these new realities into account, no kind of progress is possible,” [denying](#) requests for a “Christmas ceasefire.” Ukraine [responded](#) that there could be “no stolen Ukrainian territories within [Russia] forever.” Zelensky also [asked](#) the G-7 leader for 2 billion cubic meters of gas to meet winter needs and suggested convening a special global peace summit.

Military developments: The UK Ministry of Defence [wrote](#) that it was “highly unlikely that the Russian military is currently able to generate an effective striking force capable of retaking” the Donetsk, Kherson, Luhansk, and Zaporizhzhia regions in the next few months. Admiral Sir Tony Radakin, Chief of the UK Defence Staff, [said](#) publicly that Russia faces a “critical shortage” of artillery shells which is “rapidly diminishing” Russia’s ability to conduct ground operations. A “[winter deadlock](#)” could set in over the next several weeks. Russia has been [increasing](#) its missile attacks, perhaps in an effort to deplete Ukraine’s interceptor missiles. Ukraine [intercepted](#) 13 Iranian drones as the UK Ministry of Defence [stated](#) that Iran would likely supply ballistic missiles to Russia to continue its campaign against Ukraine’s critical infrastructure. Ukraine attacked a barracks in Melitopol housing Russian soldiers and a hotel in the town of Kadiivka, in Luhansk oblast in eastern Ukraine, [reportedly](#) housing mercenaries from the Wagner Group closely associated with Russian oligarch Yevgeny Prigozhin.

Ukraine predictions on course of the war: General Valeriy Zaluzhny, head of Ukraine’s armed forces, told the [Economist](#) that he expects Russian forces to try to attack Kyiv, perhaps as early as February. He

noted that Russian forces recently mobilized “may not be that well equipped, but they still present a problem for us. We estimate that they have a reserve of 1.2 million to 1.5 million people . . . [they] are preparing some 200,000 fresh troops. I have no doubt they will have another go at Kyiv.” Zaluzhny also noted that Russian forces in Ukraine had withdrawn beyond the range of missiles provided by the US and that “somewhere beyond the Urals, they are preparing new resources,” adding that he believes Russia had been building up resources for three to four years.

Zaluzhny [stated](#) that “the fact that they have exhausted these resources and wasted their potential without achieving practically any result shows that [they] now have to think again about how to get out of this situation. So most likely they are looking for ways to stop [fighting] and get a pause by any means: shelling civilians, leaving our wives and children to freeze to death. They need . . . time to gather resources and create new potential so they can continue to fulfil their goals.”

Similarly, Ukrainian defense minister Oleksii Reznikov [expects](#) a new Russian offensive “at best in March and at worst at the end of January,” using “meat grinder” tactics in attempting to overwhelm Ukrainian forces. President Zelensky, [addressing](#) an EU summit, said the next six months would be “decisive” in the war,” adding that Russia’s aggression is “against Ukraine and against each of you [EU members], because Russia’s final target is much farther than our border and Ukrainian sovereignty. The next six months will demand from us even greater efforts than were undertaken over the past period.” The EU is discussing a new finance package for Ukraine and possible additional sanctions.

Possibility of expanded war: NATO Secretary General Jens Stoltenberg [said](#) that the “terrible” war “can become a full-fledged war that spreads into a major war between NATO and Russia. We are working on that every day to avoid” it but that there was “no doubt that a full-fledged war is a possibility.”

Energy: Fatih Birol, executive director of the International Energy Agency (IEA), [said](#) that Europe should have enough natural gas for this winter but that supplies for next year were questionable, particularly if the winter of 2023-24 is colder and if Europe does not increase imports of liquefied natural gas (LNG), as next year “it is very likely that we won’t have any Russian gas in our system.” The IEA also [reported](#) that the war has accelerated the global transition to renewable energy, with as much sustainable energy added in the next five years as in the previous 20, with growth led by solar power, leading to the possibility that renewables could overtake coal’s share of global electricity supply by 2025.

Oil price cap and Russian exports: Russian President Putin [said](#) that Russia may cut its oil production and refuse to sell oil to countries that impose the oil price cap imposed by the G7, EU, and Australia. He promised to outline “concrete steps” in coming days. The IEA estimated that Russian oil revenues [fell](#) in November to about \$15.8 billion, the second lowest figure this year, even though Russian exports rose to 8.1 million barrels a day. The US [said](#) it was pleased with how the oil price cap is working; with the US “seeing exactly what we wanted to see.” Russian oil was [reportedly](#) sold below the price cap to India.

Grain deal updates: Turkish President Recep Tayyip Erdogan [spoke](#) separately with President Putin and President Zelensky about efforts to increase grain exports. A UN official said she was “cautiously optimistic” that there would be “important progress” on a deal to increase exports of Russian fertilizers, which [reportedly](#) could be connected with a prisoner exchange. However, another UN official [stated](#) that it was unlikely Ukraine would get agreement to export grain from additional ports in the near future. Over 14 million tonnes of grain have been exported through the Black Sea under the deal.

Aid for Ukraine: An aid conference in Paris [raised](#) over €1bn in new aid commitments for Ukraine's winter needs from 46 countries and 24 international organizations, with much focused on energy supplies, according to French foreign minister Catherine Colonna. Earlier, President Zelensky told the conference that generators "have become as important as armor" to help Ukraine survive the winter and that fixing long-term damage to the energy grid would cost €1.5 billion.

Economic damage to Ukraine: The *Washington Post* [reported](#) on damage to Ukraine's economy. The economy has contracted by one-third this year, with inflation at 20 percent, and continuing damage to Ukraine's energy infrastructure would require an additional \$2 billion per month for basic government expenses. The energy crisis is affecting other sectors of the economy including mining and IT.

Impact on Moldova: *The Guardian* [reported](#) on the war's impact on Moldova, suffering from 35 percent inflation and electricity blackouts from collateral damage to Ukraine's power grid. Russia cut gas supplies to Moldova in October. A poll showed that 61 percent of Moldovans struggled to meet or could not afford basic living costs. Moldovan political analyst Igor Boțan said that "Russia's hybrid war in Moldova replicates the energy strategy used against Europe at large, but it also involves the propaganda war, that we see in the media, on social channels, and on the streets, at protests," leading the government to seek greater support and energy supplies from the West. Anti-government protests against the pro-Western President Maia Sandu have called for restoration of close ties with Russia.

EU expansion: The EU [gave](#) Bosnia candidate status for membership; German Chancellor Olaf Scholz told the Bundestag that it is "in our German and our European interest for the rest of the Balkans to become part of the European Union." The new list of candidate countries for EU membership includes Albania, Bosnia, Moldova, Montenegro, North Macedonia, Serbia, Turkey, and Ukraine.

Zelensky-Biden call: During a call on Sunday, President Zelensky [thanked](#) President Biden for "unprecedented defense and financial assistance" as Russian strikes have destroyed about 50 percent of Ukraine's energy infrastructure, which UNICEF executive director Catherine Russell [said](#) put seven million children in Ukraine at "desperate risk" this winter.

2. FEDERAL RESERVE RAISES RATES 0.5 PERCENTAGE POINTS

The Federal Reserve [raised](#) the federal funds rate 0.5 percentage points Wednesday to a range between 4.25 percent and 4.5 percent, a 15-year high. While the increase is large by historical standards, it is smaller than the four prior rate increases of 75 basis points each. Overall, 2022 saw the fastest interest rate increases since the early 1980s. The decision was widely expected, including in The Conference Board's [forecast](#). Fed Chair Jay Powell had said in public [remarks](#) that it would make sense to "moderate the pace of our rate increases as we approach the level of restraint that will be sufficient to bring inflation down [.]". However, in the Wednesday press conference, Powell [cautioned](#) against reacting too strongly to one or two moderate inflation reports: "[w]e welcome these better inflation reports," he said, "but I think we're realistic about the broader project."

In conjunction with the meeting, the Fed also published its [Summary of Economic Projections](#) (SEP), for which Fed meeting participants submitted their projections of the most likely outcomes for real gross domestic product (GDP) growth, the unemployment rate, and inflation for each year from 2022 to 2025 and over the longer run. The median participant saw the federal funds rate rising above 5 percent in 2023 before declining in 2024 and 2025, ultimately reaching a long-run 2.5 percent, and projected a rise in the unemployment rate to 4.6 percent in 2023 from its current level of 3.7 percent.

3. INFLATION EASES IN NOVEMBER

The Consumer Price Index [slowed](#) to 7.1 percent year-over-year in November, down from a 7.7 percent year-over-year increase in October. Month-over-month, headline CPI increased just 0.1 percent. Core CPI, which excludes volatile food and energy prices, increased 0.2 percent month-over-month, for a 6.0 percent year-over-year increase. The low headline figure was attributable in part to a 1.6 percent month-over-month decline in energy prices, including a 2.0 percent decline in retail gasoline prices. Also declining substantially (2.9 percent) were used cars and trucks, which had seen high inflation in 2021 and early 2022. However, in some sectors, high inflation remained: food rose 0.5 percent and shelter rose 0.6 percent. The 0.2 percent month-over-month increase in core CPI inflation is consistent with the Federal Reserve's inflation target, which is 2.0 percent annual inflation in the core Personal Consumption Expenditures index. The Conference Board Economy, Strategy and Finance Center forecasts that topline CPI peaked in Q2 2022 and notes that many components showed "moderating month-over-month price increases or even contractions." The analysis is available [here](#).

4. \$248.5 BILLION DEFICIT IN NOVEMBER

The monthly US federal budget deficit [widened](#) to \$249 billion in November, up from \$88 billion in October. The higher budget deficit for November is attributable in part to lower receipts (\$252 billion, down from \$319 billion). Large month-to-month fluctuations in these figures are common, because neither corporate nor individual taxpayers distribute their payments evenly throughout the year. Since October, when the new fiscal year began, receipts are \$571 billion, up from \$565 billion the previous year, and total outlays have fallen to \$907 billion, compared to a \$922 billion figure last year. The Department of Health and Human Services, the highest-spending agency, reduced spending to \$231 billion year-to-date, down from \$255 billion for the same period last year. However, interest on Treasury debt nearly doubled from \$55 billion to \$103 billion, showing that rising interest rates are rapidly increasing the size of this budget expenditure.

5. TOP APPROPRIATORS REPORTEDLY REACH BUDGET DEAL

Tuesday night, Senate Appropriations Chair Patrick Leahy (D-VT) [announced](#) that he had reached a "bipartisan, bicameral framework" for an omnibus appropriations bill with Senate Vice Chairman Richard Shelby (R-AL) and House Appropriations Chair Rosa DeLauro (D-CT). Though funding totals have not yet been announced, the deal is [expected](#) to boost the defense budget to \$858 billion, or 10 percent higher than current levels. The largest difference between the two sides was reportedly over the amount of domestic non-defense spending. The deal comes before a Friday deadline that would have caused a government shutdown if a [stopgap bill](#) is not enacted allowing more time to vote on the broader, final package. Senate Majority Leader Charles Schumer (D-NY) [stated](#) that he believed the final deal would include bipartisan reforms to the Electoral Count Act to clarify that the Vice President has no power to overturn the vote of the Electoral College as well as additional funding for Ukraine.

6. INITIAL UNEMPLOYMENT CLAIMS DECLINE

The Department of Labor [reported](#) Thursday that initial claims for unemployment insurance, a weekly indicator of labor market health, were 211,000 for the week ending December 10, a decrease of 20,000 from the previous week's revised level. The previous week was revised upward by 1,000 from 229,000 to 230,000. The four-week moving average was 227,250. This level of claims is low or moderate by

historical standards and below the July highs of 261,000 and reflects continued labor market strength even as some [leading economic indicators](#) tip into negative territory. The Conference Board's latest economic [forecast](#) shows the unemployment rate rising to 4.5 percent, well above its current level of 3.7 percent, by the fourth quarter of 2023.

7. FACTORY ACTIVITY WEAK IN NORTHEAST

Two surveys conducted by the Federal Reserve Banks of New York and Philadelphia in early December, both showed weakening manufacturing activity. The New York Fed [survey](#), focusing on New York State, reported a general business conditions index of -11.2, sixteen points below the prior month's figure. This indicates that the percentage of firms reporting worse business conditions (34.3 percent) exceeded the percentage reporting general business conditions (23.1 percent). Firms also reported declining new orders but higher shipments. Despite the overall decline in activity, employment grew but hours worked declined. The Philadelphia Fed [survey](#) showed a current activity index of -13.8, the fourth straight negative reading and the sixth in seven months. The new orders index was extremely negative at -25.8, and the shipments index turned to negative territory at -6.2, the first decline since May 2020. Slightly more firms reported employment decreases than increases, and hours worked also declined.

8. NOVEMBER RETAIL SALES

Retail sales [fell](#) a seasonally adjusted 0.6 percent month-to-month in November, or about \$4 billion, from \$693 billion to \$689 billion, according to Census data. This retracted much of October's 1.3 percent increase and was the largest decrease in eleven months. The decline was entirely driven by the seasonal adjustment; unadjusted sales climbed 1.2% or \$8 billion. However, retailers usually expect an even larger increase in November for holiday shopping. The seasonal adjustment is principally driven by "nonstore" retailers, which includes online commerce. Absent seasonal adjustments, this sector increased sales by \$15 billion. But the seasonally adjusted figure declined \$1 billion, as the sector usually has an even bigger holiday sales boom in November. Sales for motor vehicles and parts dealers fell 2.3 percent, or about \$3 billion, from October. In other categories, spending remained relatively flat.

9. EPA REGULATION ON HYDROFLUOROCARBONS

The Environmental Protection Agency (EPA) proposed [regulations](#) to implement provisions of the [American Innovation and Manufacturing Act](#) of 2020 authorizing EPA to regulate hydrofluorocarbons (HFCs), greenhouse gases more potent than carbon dioxide. The current rule focuses on facilitating "the transition to next-generation technologies" in various sectors. EPA is proposing restrictions on use of 18 HFCs in refrigeration, air conditioning, and heat pumps; foam blowing; and aerosols, with manufacturing or imports prohibited in 2025-2026 and sale and distribution of the products a year later, with compliance and enforcement through new recordkeeping and labeling requirements. EPA noted that "[i]ndustry is already making many of these transitions" but that "the rule may in some cases require regulated entities to further accelerate transitions in specific subsectors [.]". The global phaseout of HFCs was agreed in the Montreal Protocol in 1987 and the Kigali Amendment to the Protocol adopted in 2016, both of which the US has ratified. Comments on the proposed rule are due January 17, 2023.

10. KEY MILESTONE IN NUCLEAR FUSION RESEARCH

The US Department of Energy Tuesday [announced](#) that Lawrence Livermore National Laboratory had reached a major milestone in controlled fusion. On December 5, a team at the laboratory's National

Ignition Facility produced more energy from fusion than the energy used to generate the reaction. Specifically, the facility delivered 2.05 megajoules (MJ) of laser power at hydrogen atoms encased in a metal cylinder, heating them to temperatures in the millions of degrees and putting them under extreme pressure, as would be found in a star. In the resulting plasma, hydrogen atoms fuse in a reaction that releases energy. In the December 5th experiment, the facility measured the output at 3.15 MJ: about 50 percent more energy than was received from the lasers.

However, there are still many steps before this technology becomes viable for practical applications. For example, the lasers are not an efficient means of transmitting energy from a power grid to their target. According to a program director at Livermore, the laser power [took 300 MJ](#) from the grid. It remains to be seen whether the process can be made efficient enough for practical applications.. If fusion power can work at scale, it may generate the vast amounts of energy and zero carbon emissions seen from nuclear fission reactions, while avoiding the radioactive waste associated with nuclear fission.

11. NLRB EXPANDS REMEDIAL POWERS AND EASES UNION ORGANIZING FOR SMALLER UNITS

A National Labor Relations Board (NLRB) ruling in [Thryv, Inc.](#) broadened the NLRB's ability to require employers to compensate workers for "all direct and foreseeable pecuniary harms" resulting from a violation of labor laws. The ruling expands NLRB's remedial authority by adding foreseeable harms into the definition of make-whole compensation, which traditionally included back pay for lost wages and reinstatement of an employee's former position. The decision provided a non-exhaustive list of pecuniary harms including expenses for medical and health insurance, lost compensation on 401(k) accounts, and legal fees, among others. Dissenting Board Members Marvin Kaplan and John Ring stated that "this standard opens the door to awards of speculative damages that go beyond the Board's remedial authority" and would increase ambiguity and the length of compliance proceedings.

In a separate ruling, [American Steel Construction](#), the NLRB reversed a previous standard that had raised the bar for unions to organize smaller groups of employees within larger workplaces. The prior 2017 rule had shifted the burden to unions to show that workers included in proposed bargaining units had "sufficiently distinct" interests from workers that were excluded. Under the revised standard, regional NLRB officials will approve elections when the proposed unit shares an "internal community of interest" and is identifiable as a sufficiently distinct group, unless an employer proves the proposed bargaining unit shares an "overwhelming community of interest" with workers not included.

12. FUNDING FOR CARBON CAPTURE PROGRAMS

On Tuesday, the Department of Energy [announced](#) four programs for carbon dioxide removal using \$3.7 billion in funding made available by the Infrastructure Investment and Jobs Act. The largest, for Regional Direct Air Capture Hubs, comprises \$3.5 billion. The program will fund four hubs intended to facilitate the deployment of direct air capture projects; have the capacity to capture and sequester, utilize, or sequester and utilize at least 1,000,000 metric tons of carbon dioxide from the atmosphere; prove the capture, processing, delivery, and sequestration or end-use of captured carbon; and have the potential to be developed into a regional or interregional carbon network. The deadline for the [Funding Opportunity Announcement](#) applications is March 2023. In addition to the hubs, the Department also announced a prize fund for research and development in direct air capture technology, and two grant funds for carbon capture commercialization.

13. HUD WAIVES BUILD AMERICA BUY AMERICA REQUIREMENTS

The Department of Housing and Urban Development (HUD) Wednesday posted [final notice](#) of a public interest waiver of Build America, Buy America Act (BABA) requirements for grantees and recipients of Federal Financial Assistance for iron, steel, manufactured products, and construction materials. HUD notes that “without this waiver, delays may occur to critical activities to protect life, safety, and property, which may negatively impact the most vulnerable Americans HUD seeks to serve.” It gives several examples of problems in public housing that might quickly threaten the safety of residents if not addressed immediately, such as malfunctioning appliances or damaged exit doors.

14. EU PROVISIONAL AGREEMENT ON CARBON BORDER ADJUSTMENT MECHANISM

The European Parliament and European Council reached [provisional agreement](#) on a Carbon Border Adjustment Mechanism (CBAM), which will [initially cover](#) imports into the EU in carbon-intensive sectors including iron and steel, cement, fertilizers, aluminum, electricity, and hydrogen and will later be expanded to include other products. When the agreement is fully operational importers into the EU will be required to purchase certificates to cover their CO2 emissions, to equalize costs between EU firms (which must already purchase carbon permits) and those outside the EU. This will help European industry [compete](#) with products from countries with high levels of greenhouse gas emissions. The EU states that countries with domestic carbon dioxide pricing similar to that of the EU will be exempt, but that provision would not cover China or India.

Under the agreement, the CBAM would begin in October 2023 with reporting obligations only to collect data. The full CBAM, including the carbon levy, would begin in phases. Free allowances would be phased out once the CBAM begins for the sectors concerned to “ensure compatibility with” World Trade Organization obligations. The timing for this, however, [depends](#) on continuing negotiations on reforming the EU’s existing emissions trading scheme (ETS) as well as developing procedures to prevent carbon leakage in exports from the EU. So full implementation could take several years -- 2026 at the earliest.

The use of carbon market funds is designed to spur energy transition. An extra [€20 billion](#) from the existing EU carbon market will be earmarked for investments designed to end dependence on Russian fossil fuels, with 60 percent coming from the EU’s Innovation Fund focusing on innovative green technologies and 40 percent from acceleration of sales of carbon trading permits. Before the provisional agreement can become final, it must be endorsed by the Member States and formally adopted by the European Parliament.

15. JAPAN AND THE NETHERLANDS MAY ADOPT SEMICONDUCTOR SANCTIONS ON CHINA

Bloomberg [reported](#) that [Japan](#) and the [Netherlands](#) will likely issue announcements in the next several weeks restricting exports of advanced chipmaking machinery to China, joining a US effort announced in October designed to prevent diversion of the machinery to military use. Beyond the sanctions already applying to US companies Applied Materials, Lam Research, and KLA, the new sanctions would cover machinery capable of fabricating chips at or more advanced than 14-nanometer chips from Japan’s Tokyo Electron and the Netherlands’ ASML Holding. China filed a dispute on the US sanctions at the World Trade Organization.

16. MONKEYPOX UPDATES

As of December 13, the [US has confirmed](#) a total of 29,643 cases of monkeypox. States with the highest case numbers include California (5,622), New York (4,186), Texas (2,855), Florida (2,835) and Georgia (1,980). [Globally](#), as of December 13, 82,550 cases have been confirmed, with 81,577 cases confirmed in locations that have not historically reported monkeypox. The countries with the highest case numbers include the US (29,643), Brazil (10,235), Spain (7,412), France (4,110), and Colombia (3,880). A total of 52 deaths have been reported in locations that have not historically reported monkeypox.

In a [study](#) posted in *bioRxiv* (not yet peer reviewed), researchers developed an mRNA technology-based vaccine against mpox, the virus formerly known as monkeypox, and evaluated its immunogenicity in animal models. Researchers [designed](#) a polyvalent, lipid nanoparticle (LNP) encapsulated mRNA vaccine candidate, MPXVac-097, against 2022 MPXV clade B.1, and tested its antibody response and T cell receptor in vaccinated mice. The study revealed that MPXVac-097 elicited adequate [antibody titers](#) in mice against two of five MPXV antigens. Researchers determined that the study showed initial feasibility of the MPXV mRNA vaccine and preliminary evidence of its efficacy.

17. PANDEMIC NEWS

COVID-19 hospitalizations among seniors: According to [CDC data](#), COVID-19 hospitalizations among seniors are at least [three times higher](#) than for any other age group. As of December 10, new hospital admissions for patients with confirmed COVID-19 for people aged 70 and older sit at a rate of 6.2 per 100,000 people. The next highest rate is those aged 60 to 69 years, at a rate of 2.18. Dr. John Brownstein, an epidemiologist and chief innovation officer at Boston Children's Hospital, notes that the rising hospitalization rates reflect low take-up of booster shots. According to CDC data, only a little over one-third of people aged 65 and older have [received](#) an updated bivalent booster dose.

Tripledemic continues to challenge hospitals: CDC is once again recommending indoor masking, not only for COVID-19. The "triple-demic" of COVID-19, flu, and respiratory syncytial virus (RSV) is [taxing hospitals](#) nationwide. Last week, US hospitals reached 80 percent capacity, an 8 percentage-point jump in two weeks. Nationwide, COVID-19 case rates and hospitalizations have [spiked](#) by 56 percent and 24 percent, respectively, over the past two weeks. CDC [estimates](#) that there have been 13 million illnesses and 7,300 deaths from flu already this season. While RSV appears to be on the decline, infections are [still high](#) across the country. CDC [data](#) shows that as of December 9, nine percent of US counties, including Los Angeles County and New York City, were considered to have a high risk of COVID-19 infection. CDC recommends that individuals living in those counties practice [indoor masking](#).

CDC long COVID mortality data: A CDC [analysis](#) of death certificates has determined that long Covid is responsible or has contributed to at least [3,500 deaths](#) in the US. The study examined death certificates from January 1, 2020, to June 30, 2022 and found 1,021,487 that included a diagnostic code for COVID-19 as an underlying or contributing cause of death. Of those, 3,544 listed long Covid or terms such as post-Covid syndrome, chronic Covid, or long-haul Covid. "This new research is important in raising a concern, but it should be followed with more definitive work," said Dr. Jeffrey Martin, chief of the division of clinical epidemiology in the department of epidemiology and biostatistics at the University of California, San Francisco, who was not involved in the research. "Historically, death certificates have been incomplete in explaining how a person died," said Dr. Martin, who suggested that future research should include interviewing patients' doctors and family members and evaluating their medical records.

New estimate of global excess deaths: *Nature* [published](#) a new estimate from a team of researchers at the World Health Organization and UN Department of Economic and Social Affairs on excess mortality. The researchers conclude that there were between 13.2 million and 16.6 million more deaths in 2020 and 2021 than would ordinary have been expected, which is between 2.4 and 3.1 times higher than the number of officially reported COVID-19 related deaths. Excess mortality was particularly pronounced in Latin America, with double excess mortality in Peru and between 41 percent and 51 percent higher in Mexico, Bolivia, and Ecuador. However, *Nature* [notes](#) that “the authors’ estimates must be interpreted with extreme caution,” largely because “only 37 percent of countries had complete data for the number of people who died from any cause in each month of 2020 and 2021” -- an essential baseline for calculating excess mortality. Further, the authors do not suggest that all excess deaths were the result of COVID-19 infection.

18. COUNTRY SPOTLIGHT: CHINA

In the wake of China [lifting](#) many restrictions under its dynamic COVID-zero policy, COVID-19 cases have [exploded](#) in Beijing, leaving residents avoiding public spaces due to either falling ill or electively social distancing. One community worker told CNN that 21 of the 24 workers on her Beijing neighborhood committee office, tasked with coordinating residential matters and activities, had fallen ill in recent days. Case numbers are rising so quickly that China has deemed it “[impossible](#)” to track COVID-19 infections. With testing no longer required throughout much of the country, China’s National Health Commission on Wednesday admitted that it could not determine accurate figures. “Many asymptomatic people are no longer participating in nucleic acid testing, so it is impossible to accurately grasp the actual number of asymptomatic infected people,” the NHC said in a statement.

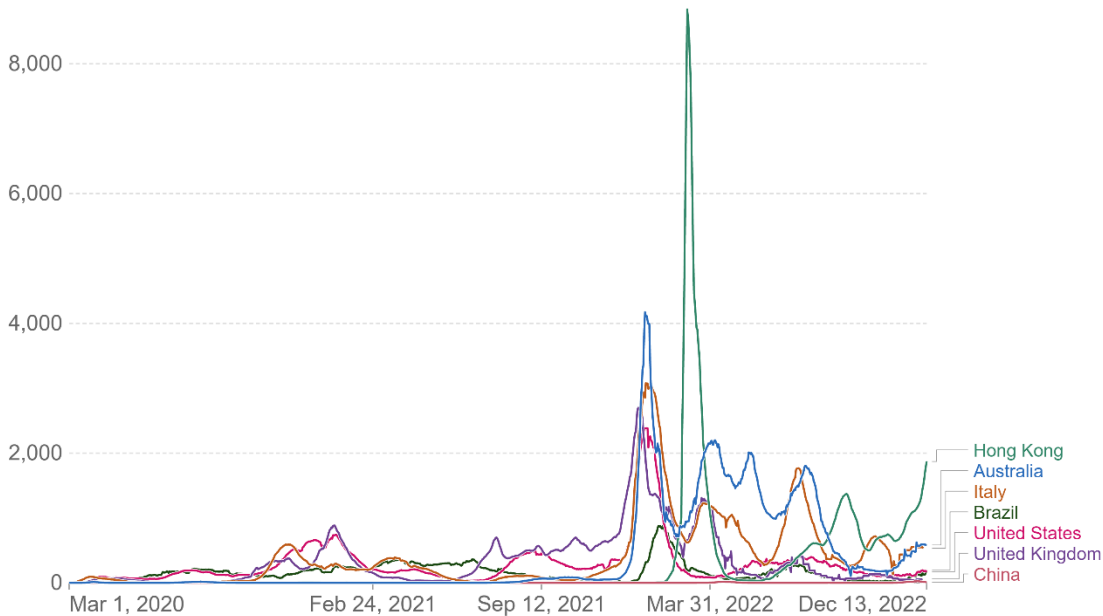
As China transitions to living with the virus, it is facing a surge in cases it is [ill-equipped](#) to manage. For the past three years, China’s health care system has focused on contact tracing and quarantines rather than on building capacity for COVID-19 outbreaks. As a result, residents are self-medicating at home. Beijing residents are standing in long lines at pharmacies, many of which have sold out of cold medicines. Chinese search giant Baidu said that searches for fever-reducing ibuprofen had risen 430 percent in the past week. Last week, government adviser Feng Zijian, a former official with the National Health Commission, predicted 60 percent of the population could be infected in the first wave of infections. Authorities also expect an upsurge in cases around Lunar New Year in late January.

As of Wednesday, Hong Kong will [no longer](#) limit the movement of international arrivals who test negative for COVID-19. Previously, arriving travelers were issued an amber code on their health app and banned from entering public spaces during their first three days, even if they tested negative. Those who test positive will continue to receive a red health code and be required to follow existing isolation protocols. Additionally, checkpoint PCR tests will no longer be required for cross-border travelers to Macau and mainland China. Hong Kong leader John Lee Ka-chiu said that the relaxations were made based on the decreasing danger imported infections posed to the community. “The decisions were based on data and risks,” Lee said. “The infection risk from imported cases is lower than the risk from local infections. We believe that the lifting [of the measures] will not increase the risk of local outbreaks.”

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



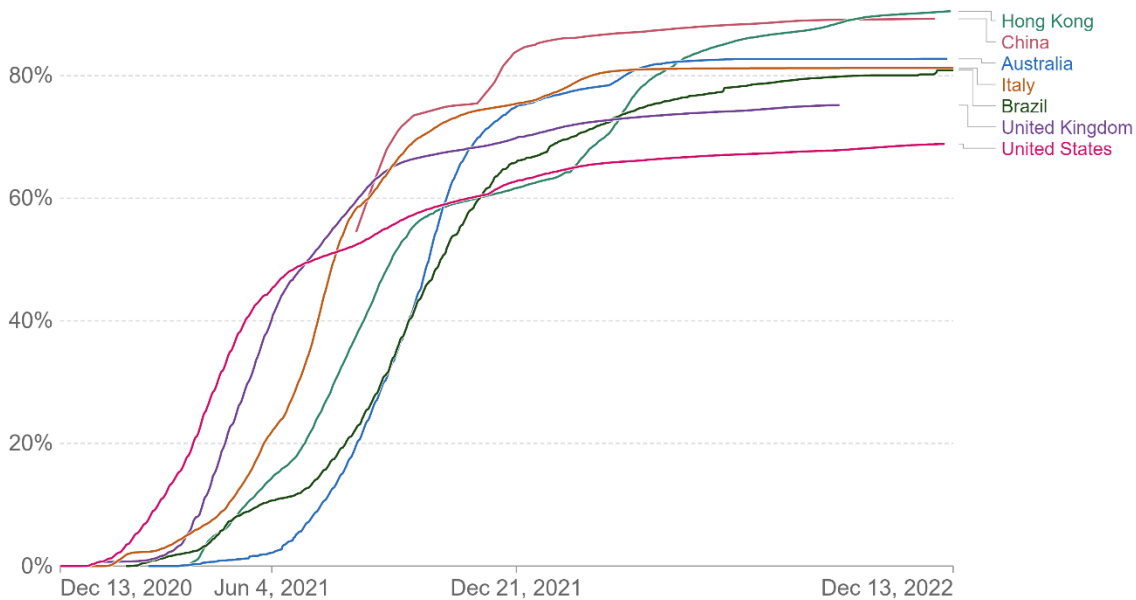
Source: Johns Hopkins University CSSE COVID-19 Data

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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.