

Situation Report

Global Threat of Coronavirus Significantly Increases Due to Severe Outbreaks in Multiple Countries

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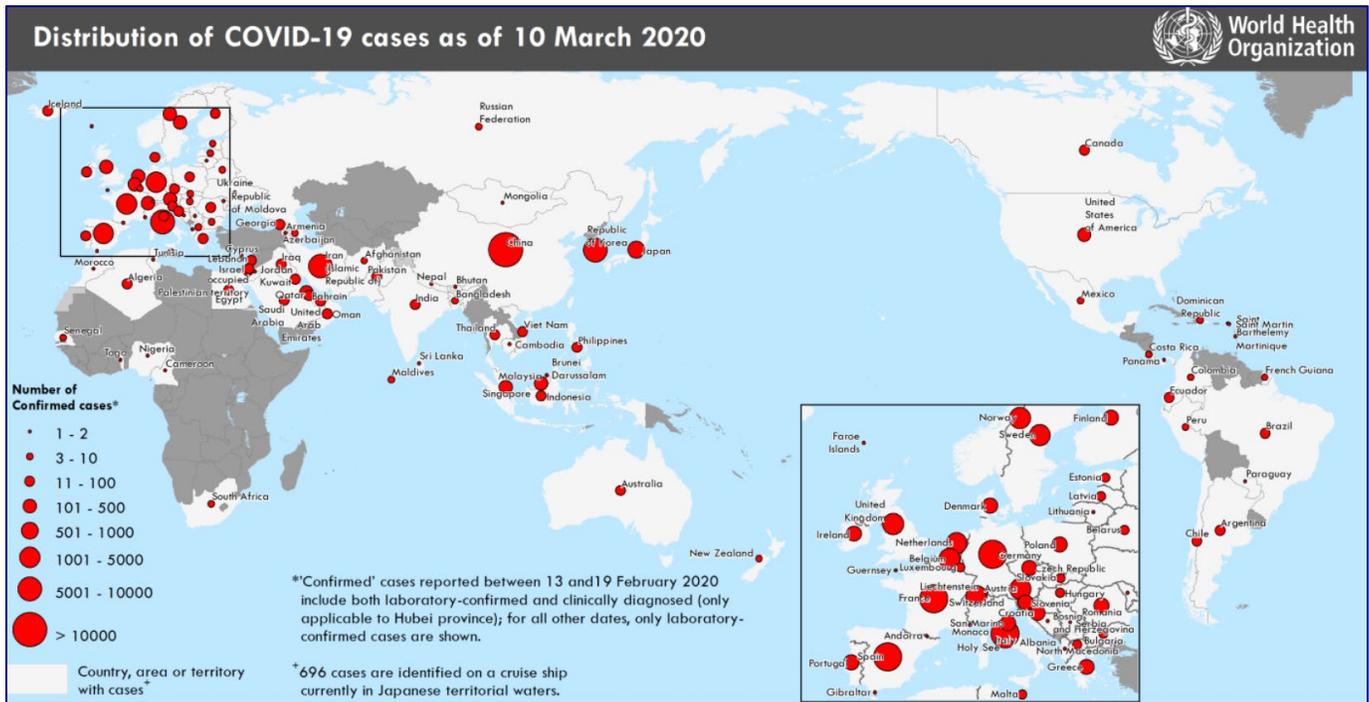
Worldwide
March 10, 2020

Overview

As of Tuesday, March 10, the number of novel coronavirus (COVID-19) cases worldwide has increased to more than 114,000, along with 4,000 deaths. The public health risk has shifted considerably from mainland China to the rest of the world, with around 97 percent of new cases in the past week taking place outside of mainland China. Italy, South Korea, and Iran have reported the highest numbers of cases after China, although hundreds of cases have been reported in many other European countries and the United States. The outbreak appears to be worsening in the U.S. and many European countries, while South Korea has reported a decline in the number of new infections in recent days. The World Health Organization (WHO) said on March 9 that the situation is “very close” to a pandemic, although many governments and health experts have said that line has already been crossed.

It appears that China is continuing to control their outbreak, although supply chain and other economic disruptions are still present. Other countries have not lifted any travel bans on China yet, and these types of restrictions have been expanded to even more countries. The widening outbreak also increases the risk of major supply chain disruptions in other countries with high numbers of COVID-19 cases. Although at the moment, even in Italy, where a nationwide lockdown has been imposed, people are still allowed to

Confirmed COVID-19 Cases as of Tuesday, March 10



Source: World Health Organization (WHO)

go to work and production and transportation has not been severely impacted. This could change in the future for Italy and other countries if current measures prove insufficient. Due to the worsening public health situation in multiple countries across the world, customers should closely follow advice from their government, international agencies, and healthcare provider regarding precautions and best practices.

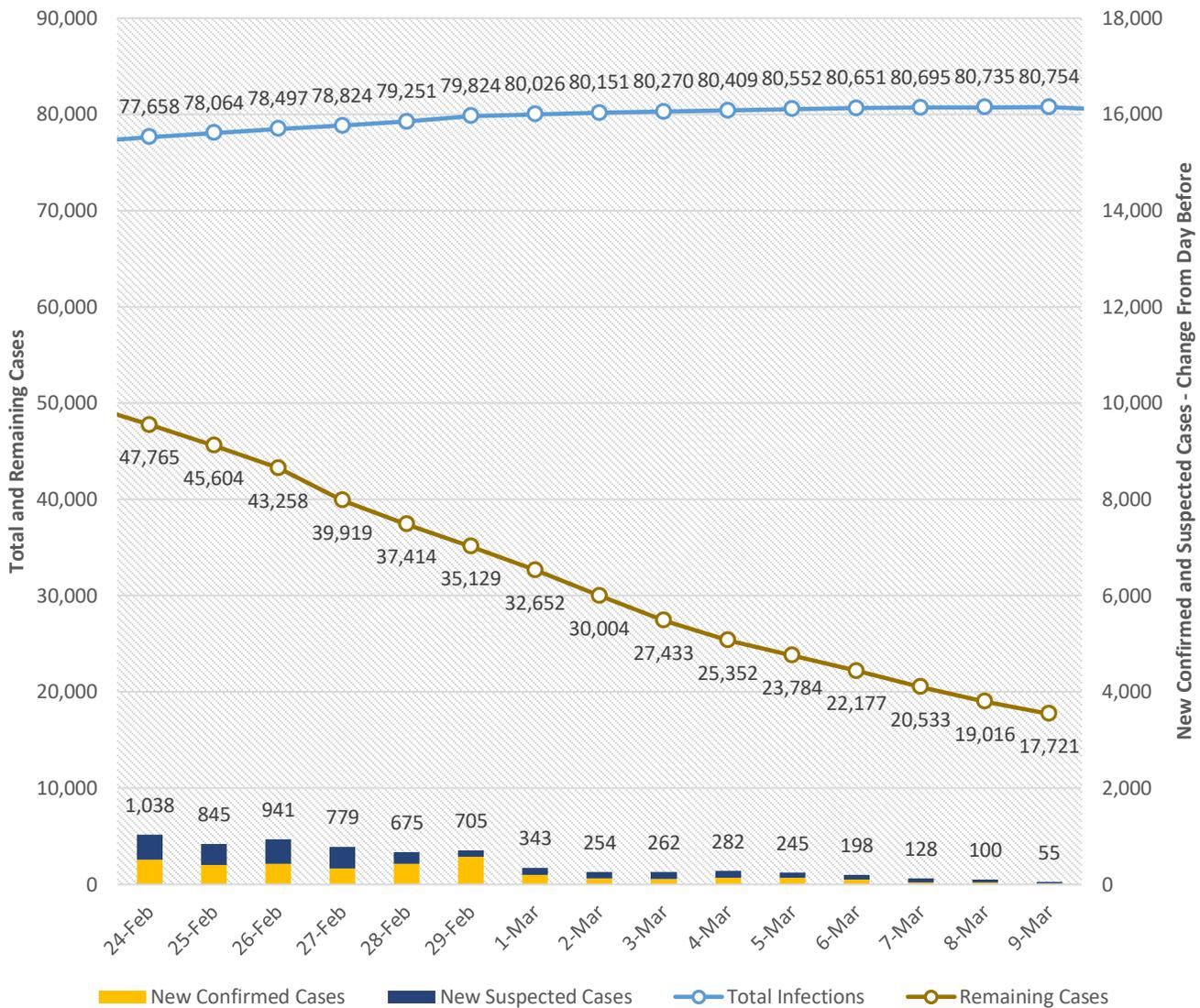
Spread of COVID-19: Asia

Mainland China

As of Tuesday morning, March 10, China's National Health Commission reported 80,754 cases of COVID-19 across mainland China, including 3,136 deaths. This is an increase of just 19 new cases and 17 deaths over the previous 24-hour period. Only two cases were reported outside of Hubei Province, and all 17 deaths took place in the province as well.

The number of new cases over the past week increased between zero and four percent per area, with the majority of regions reporting no new cases. An exception was Gansu Province, which has reported dozens of imported cases in travelers from Iran. The number of suspected cases also decreased to 349, continuing a declining trend over recent weeks. The number of remaining cases, which refers to the total number of cases but subtracting those who have been cured or discharged, has also reached a low of 17,721, down from 33,000 the week before.

Mainland China: Confirmed and Remaining COVID-19 Cases



Source: National Health Commission of the People's Republic of China

The number of daily new confirmed and suspected cases has dropped considerably, averaging just 180 over the past week. This is compared to an average of 650 the week before and over 7,000 during the height of the outbreak in early February.

The low number of new cases continues to suggest that the public health situation is improving and has largely stabilized, with no major new outbreaks taking place.

- In the outbreak epicenter of Wuhan, all 16 temporary hospitals have been closed as the number of patients has decreased.
- President Xi Jinping on March 10 said that the epidemic had been “basically curbed” in Hubei Province during his first visit to the outbreak epicenter.

Mainland China: Areas with Confirmed COVID-19 Cases as of Monday, March 9

Province/City	March 9	March 2	Percent Increase
Hubei	67,760	67,217	0.8%
Guangdong	1,353	1,350	0.2%
Henan	1,272	1,272	0.0%
Zhejiang	1,215	1,213	0.2%
Hunan	1,018	1,018	0.0%
Anhui	990	990	0.0%
Jiangxi	935	935	0.0%
Shandong	758	758	0.0%
Jiangsu	631	631	0.0%
Chongqing	576	576	0.0%
Sichuan	539	538	0.2%
Heilongjiang	481	480	0.2%
Beijing	429	414	3.6%
Shanghai	342	338	1.2%
Hebei	318	318	0.0%
Fujian	296	296	0.0%

Province/City	March 9	March 2	Percent Increase
Fujian	296	296	0.0%
Guangxi	252	252	0.0%
Shaanxi	245	245	0.0%
Yunnan	174	174	0.0%
Hainan	168	168	0.0%
Guizhou	146	146	0.0%
Tianjin	136	136	0.0%
Shanxi	133	133	0.0%
Liaoning	125	125	0.0%
Gansu	124	91	36.3%
Jilin	93	93	0.0%
Xinjiang	76	76	0.0%
Inner Mongolia	75	75	0.0%
Ningxia	75	74	1.4%
Qinghai	18	18	0.0%

Source: World Health Organization (WHO) and National Health Commission of the People's Republic of China

- Travel restrictions in Hubei will be eased, with the government using a mobile app where healthy people would be allowed to move in medium and low-risk areas.

Despite the improving health situation, strict quarantine measures remain in place in multiple areas and officials continue to guard against another outbreak.

- The most restrictive measures are still in Wuhan and Hubei Province more generally.
- Beijing has banned all taxis and ride-sharing services and required people from outside the city to be quarantined for 14 days.
 - The Beijing Times reported that an entire portion of Beijing Capital International Airport (PEK) will be converted to a screening and testing area for flights arriving from high-risk countries.
- Government officials have said that the country must stay cautious and not reduce vigilance against the virus.
- There are still concerns regarding discharge procedures, as some people have been readmitted or died after being released.
- New imported cases also pose a threat, with Gansu Province confirming dozens of new infections that were traced back to Iran, which is experiencing the largest outbreak in the Middle East.
- There is still a risk that a new outbreak could be reported in Hubei or other areas, which could lead to a new spike in cases.

Confirmed Cases Outside Mainland China as of Tuesday Morning, March 10

Country/Region	March 10	March 3
Italy	10,100	2,036
South Korea	7,513	4,812
Iran	8,042	1,501
France	1,412	191
Spain	1,204	114
Germany	1,139	157
United States	773	64
Diamond Princess Cruise Ship	696	706
Japan	514	268
Switzerland	374	30
Netherlands	321	18
United Kingdom	321	39
Sweden	248	15
Belgium	239	8
Norway	192	25
Singapore	160	108
Austria	131	18
Malaysia	117	29
Hong Kong	115	101
Denmark	113	5
Bahrain	109	49
Australia	100	33
Greece	84	7
Canada	77	27
Macau	66	10
Iceland	65	9
Kuwait	65	56
Iraq	61	26
UAE	59	21
Egypt	59	2
Thailand	50	43
San Marino	49	8
Taiwan	45	42
India	44	5
Lebanon	41	13

Country/Region	March 10	March 3
Czech Republic	40	3
Finland	40	7
Israel	39	10
Portugal	39	2
Philippines	35	3
Vietnam	31	16
Brazil	25	2
Ireland	21	1
Algeria	20	5
Russia	20	3
Palestine	20	0
Oman	18	6
Qatar	18	7
Romania	17	3
Poland	17	0
Pakistan	16	5
Slovenia	16	0
Ecuador	15	6
Georgia	15	3
Saudi Arabia	15	1
Chile	13	0
Croatia	12	9
Argentina	12	0
Estonia	10	1
Azerbaijan	9	3
Hungary	9	0
Costa Rica	9	0
Peru	9	0
Mexico	7	5
South Africa	7	0
Belarus	6	1
Indonesia	6	2
Latvia	6	1
Albania	6	0
Dominican Republic	5	1

Source: WHO, European Centre for Disease Prevention and Control (ECDC) and various media outlets

Confirmed Cases Outside Mainland China as of Tuesday Morning, March 10

Country/Region	March 10	March 3
Luxembourg	5	1
New Zealand	5	1
Slovakia	5	0
Afghanistan	4	1
Senegal	4	1
Maldives	4	0
Bulgaria	4	0
Malta	4	0
North Macedonia	3	1
Bangladesh	3	0
Colombia	3	0
Cambodia	2	1
Morocco	2	1
Nigeria	2	1
Tunisia	2	1
Bosnia and Herzegovina	2	0
Cyprus	2	0
Cameroon	2	0

Country/Region	March 10	March 3
Andorra	1	1
Armenia	1	1
Jordan	1	1
Lithuania	1	1
Monaco	1	1
Nepal	1	1
Sri Lanka	1	1
Brunei Darussalam	1	0
Mongolia	1	0
Bhutan	1	0
Ukraine	1	0
Serbia	1	0
Moldova	1	0
Holy See	1	0
Liechtenstein	1	0
Panama	1	0
Paraguay	1	0
Togo	1	0

Source: WHO, European Centre for Disease Prevention and Control (ECDC) and various media outlets

South Korea

As of Tuesday morning, March 10, there have been 7,513 confirmed cases and 54 deaths in South Korea, with 131 cases and three deaths in the past 24 hours. There has been a significant decrease in the number of new cases in recent days, dropping around 100 per day for the past three days. February 29 saw the highest number of new cases at 909 and was followed by a week of 400-700 cases being reported per day. Around 88 percent of all cases have been reported in the outbreak epicenter of Daegu and neighboring North Gyeongsang Province. This is similar to last week, where 89 percent of cases were reported in those two areas, suggesting that major outbreaks have not taken place in other regions. Around 80 percent of all cases were linked to existing clusters, such as the Shincheonji church, while 20 percent have no links or are under investigation. Health Minister Park Neunghoo said on March 9 that he is hoping that the country has passed the peak of its outbreak.

Despite initial positive signs, the public health risk remains high and there is a significant likelihood of new outbreaks occurring in the future.

- The decrease in new cases is likely due to health authorities finishing testing on Shincheonji members in Daegu. Around 95 percent of the members have been tested and 40 percent have tested positive.

South Korea: Confirmed Cases as of Tuesday, March 10

Area	March 10	March 3	Percentage Increase	Percent of Total
Daegu	5,663	3,601	57%	75.38%
North Gyeongsang	1,117	685	63%	14.87%
Gyeonggi	163	94	73%	2.17%
Seoul	141	98	44%	1.88%
South Chungcheong	104	81	28%	1.38%
Busan	96	90	7%	1.28%
South Gyeongsang	83	64	30%	1.10%
Gangwon	28	20	40%	0.37%
North Chungcheong	25	11	127%	0.33%
Ulsan	24	20	20%	0.32%
Daejeon	18	14	29%	0.24%
Gwangju	15	11	36%	0.20%
Incheon	13	7	86%	0.17%
Sejong City	8	1	700%	0.11%
North Jeolla	7	7	0%	0.09%
South Jeolla	4	5	-20%	0.05%
Jeju	4	3	33%	0.05%

Source: Korea Centers for Disease Control and Prevention (KCDC)

- Attention has turned to small-scale cluster infections that continue to be reported across the country.
 - A cluster at a call center in Seoul's Guro Ward has resulted in at least 64 cases and the entire 12-story building being closed and disinfected.
 - A dance class in Cheonan has been linked to 99 cases in South Chungcheong Province.
 - An apartment building in Seoul's Seongdong Ward has been linked to 13 cases.
 - At least 109 countries and territories have banned or restricted the entry of people from South Korea, up from 91 last week.

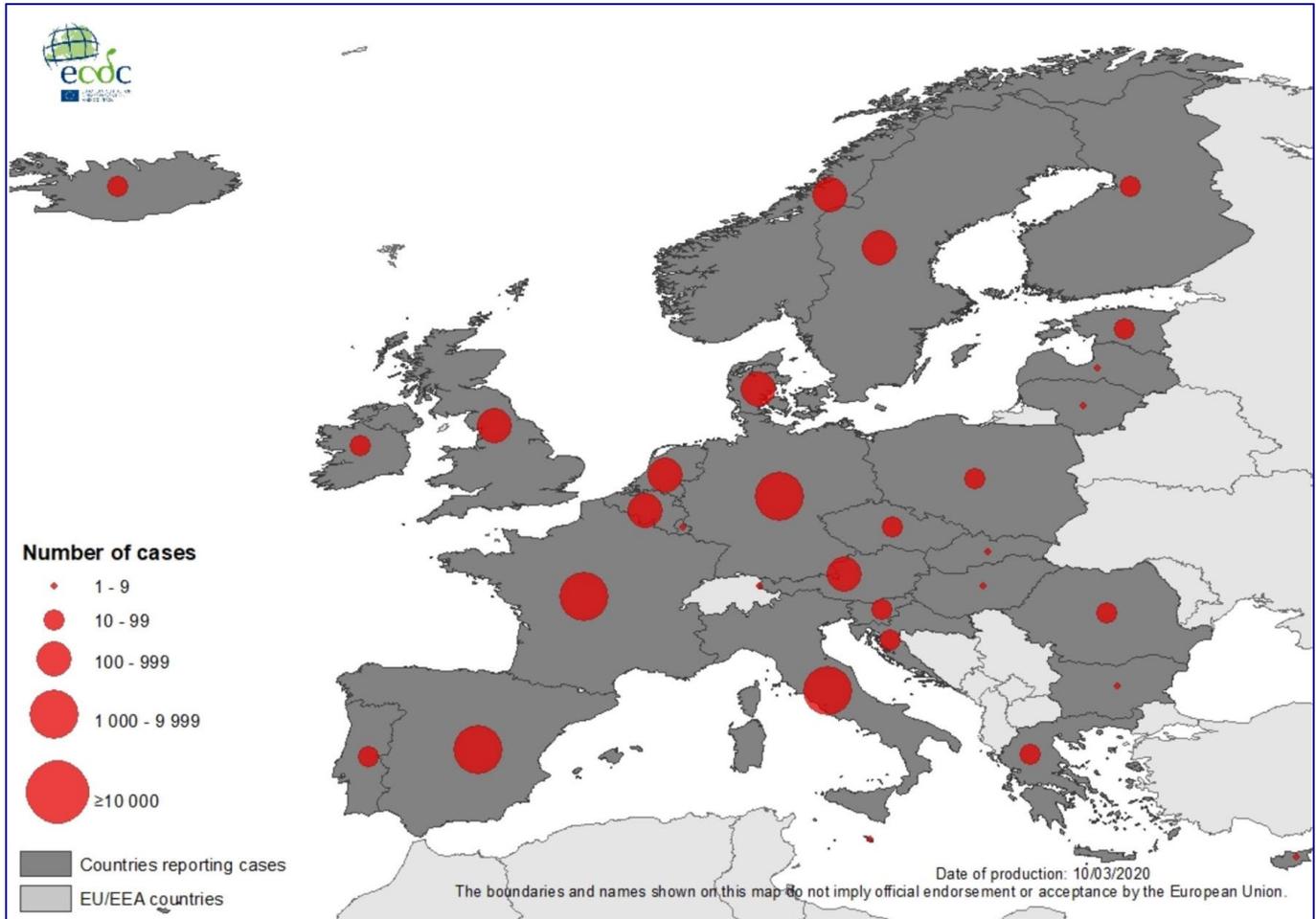
Japan

Japan has reported a total of 567 cases of COVID-19 as of Tuesday, March 10, which have resulted in at least 30 deaths. The largest number of cases is still in Hokkaido (111), although numbers have also grown in Aichi (99), Osaka (73), Tokyo (67), Kanagawa (43), Hyogo (24), and Chiba (23). Osaka saw a significant increase over the past week, with around 50 infections being linked to a number of music venues in the city.

There continues to be concerns that the number of cases in Japan is higher than what is being reported.

- The head of Japan's National Institute of Infectious Diseases (NIID) has said that the number of infections is likely several times higher than official reports.

European Union/EEA: Confirmed Cases as Tuesday, March 10



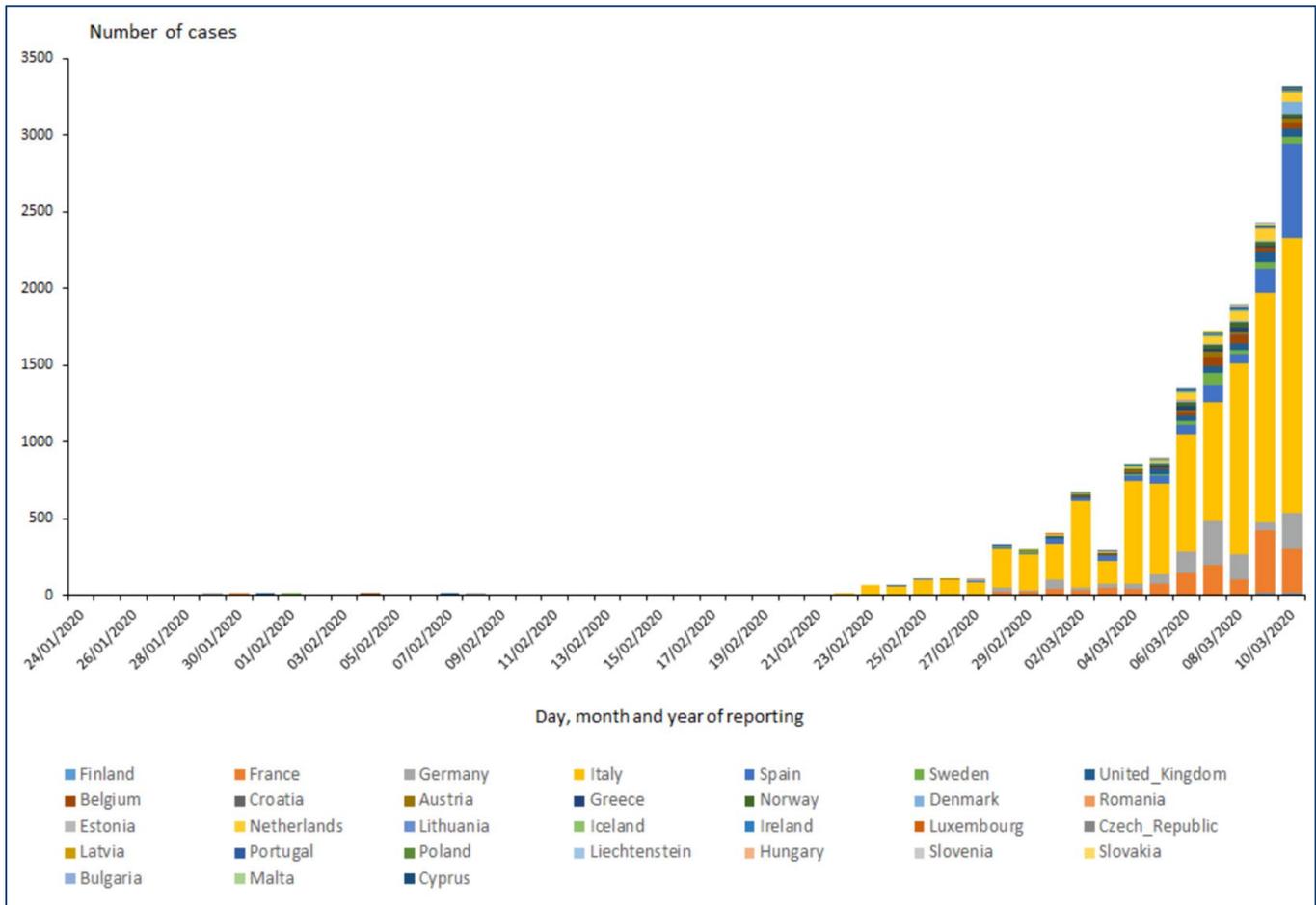
Source: European Centre for Disease Prevention and Control (ECDC)

- Testing for COVID-19 in Japan is taking place at a much lower per capita rate than China, South Korea, Italy, and many other European countries, which could be leading to lower official numbers.
- Hospitals are being asked to prepare for an influx of new patients.
- Around 100 countries and regions have restricted the entry or movement of people traveling from Japan.
- Japan Airlines and All Nippon Airways said that they were reducing domestic flights for at least a week.
- Around 99 percent of elementary and junior high schools were shut after a request from Prime Minister Shinzo Abe.

Spread of COVID-19: Europe

While the European Commissioner on Tuesday expressed EU support for the “bold measures” Italy is taking, the bloc has been challenged to produce a cohesive and effective platform to combat the virus, which has now been confirmed in all member states. Nonetheless, Commission President von der Leyen said the EU would employ “all tools” to protect the bloc’s economy. On Tuesday, the EU announced about

Distribution of New Confirmed COVID-19 Cases Per Day in Europe



Source: European Centre for Disease Prevention and Control (ECDC)

U.S. \$28 billion in funding to combat the outbreak, including an investment fund designed to support healthcare networks, small and medium enterprises, and “other vulnerable parts” of member state economies. Spain, France, and Germany each have more than 1,000 confirmed cases as community transmission expedites the spread of the virus. England’s deputy chief medical officer warned Tuesday of thousands of prospective cases in the UK (currently at more than 300) when the virus peaks.

Multiple airlines have cancelled flights to Italy into early April following the nationwide lockdown. The European Commission said Tuesday it was proposing a temporary suspension of bloc rules described as “use it or lose it” for airlines to maintain a certain level of service to keep their slots at airports. The suspension is expected to ease the reported practice of airlines flying empty or near-empty flights with the purpose of preventing the loss of such slots.

- Countries such as Germany, France, and the Czech Republic have placed restrictions on outbreak-related supplies such as masks, gloves, and sanitizer, prompting complaints from other European countries about unfair trade restrictions.

- In Germany, automaker Ford had an employee at its center for passenger car development in Merkenich test positive for the virus and placed into quarantine, though operations have continued.
- Italy, Germany, and France saw increases in January for industrial production, though such gains are expected to be reduced or wiped out by the spreading outbreak.
- A recent UK survey by the Institute of Directors found that one out of five company directors described the outbreak as presenting a severe threat to their respective businesses, with 40 percent of respondents considering it a moderate threat.
- Spanish Prime Minister Pedro Sanchez said the government would guarantee medicine supplies and small businesses would be eligible for credit lines to mitigate economic impacts.

Italy

On Monday evening, Prime Minister Giuseppe Conte announced a nationwide lockdown, described as the “I Stay at Home” decree, to be in effect until at least April 3. It allows for necessary movement for work, family or health emergencies, and grocery shopping, but heavily restricts nonessential movements and activities. As of Tuesday evening, the outbreak in Italy has exceeded 10,100 cases with 168 new deaths from Monday to Tuesday, the highest one-day death toll in the country to date. Officials have warned of the heavy strain on hospitals in hard-hit areas of northern Italy. The majority of coronavirus deaths in Italy have been with patients in their eighties, and the challenge to the healthcare system is compounded in Italy as the country has one of the oldest populations in the world. While the nationwide lockdown is aimed to quell the spreading virus, authorities remain particularly concerned of the risk of broader, extensive spread in the south of the country, where regions are generally poorer and the healthcare system could face even greater challenges than facilities in the northern parts of the country.

In the areas of northern Italy that were early hotspots of the virus and the first to be placed under quarantine, the rate of new infections has reportedly slowed in recent days, suggesting progress in stemming the virus’ spread with quarantine measures that have now been extended nationwide. While the Vatican has closed St Peter’s Basilica and Square to tourists in line with Italian measures, Pope Francis has nonetheless encouraged priests to visit sick people, prompting concerns of such actions exacerbating the risk of further spread.

- Authorities sought to quell panic buying on Monday night by stressing that supplies would be guaranteed by the government.
- The Italian government announced plans for some U.S. \$11.3 billion in financial support and a moratorium on debt payments (such as mortgages) amidst the outbreak.
- In response to the nationwide lockdown, an array of countries advised against all non-essential travel to Italy.
- Austria is requiring any Italians seeking to enter the country to provide a medical certificate, and fellow Italy neighbor Slovenia said Tuesday that it plans to close its border with Italy to non-commercial traffic, though details were not initially provided.

- Manufacturers, including automakers and parts suppliers, have been able to continue operations despite the lockdown, as restrictions should not halt production nor prevent the movement of goods within the country and across borders.
- The Milan-based Italian Stock Exchange (Borsa Italiana) has continued trading despite regional and nationwide virus restrictions.

Spread of COVID-19: Middle East and North Africa

More than 8,600 cases of COVID-19 have been reported across the Middle East and North Africa (MENA) region. At the time of this writing, all countries but Turkey, Libya, Syria, and Yemen have reported positive cases; however, this is most likely due to the fragile condition of healthcare in the latter three countries, which have been decimated by conflict and instability. Iran remains the epicenter of the regional outbreak, as 8,042 confirmed cases and 291 deaths had been reported as of March 10. Nearly all of the 635 other cases registered outside of Iran have been linked to travel to the Islamic Republic or other COVID-19 hotspots in Europe and Asia. In general, the rate of new infections has continued to rise steadily across the Middle East and North Africa; however, some countries have witnessed spikes in recent days, notably Egypt, which went from three coronavirus patients to 59 between March 6 and March 10.

COVID-19 concerns continue to prompt travel restrictions and other preventative measures, while also exacting a toll on regional economies. Pressure on oil prices is also impacting multiple countries.

- Countries across the MENA region continue to adopt and tighten travel restrictions and other measures aimed at combatting COVID-19.
- Iraqi authorities have announced the closure of the holy city of Najaf, home to Shi'a Muslim shrines, to non-residents for at least one week beginning March 11 in a bid to prevent the spread of the coronavirus.
- The COVID-19 outbreak has reduced demand for oil. Russia rejected a Saudi-backed plan for a production cut to stabilize the oil market, prompting Riyadh to slash export oil prices in retaliation. The move caused the biggest single-day drop in the Brent global oil benchmark since 1991 and marked the apparent start of a so-called "price war" between Saudi Arabia and Russia. From a political and security standpoint, this could raise the prospect of unrest in countries that rely on oil revenues to fund massive social welfare programs intended to maintain allegiance and suppress public dissent. Additionally, developing countries, such as Angola, Brazil, and Nigeria, could suffer economic slowdowns, while those with oil-based economies already subject to U.S. sanctions, notably Iran and Venezuela, stand to be hurt as well. Looking further out, a prolonged "price war" is likely to negatively impact oil companies in North America that have already been forced to streamline operations and/or output since 2014 due to waning investment.

Iran

Presently, the number of COVID-19 cases and associated deaths put Iran as the third-most-affected country, behind only China and Italy. The coronavirus continues to spread across all of the country's 31 provinces, with new infections and fatalities increasing by 12 percent and 18 percent, respectively, on Tuesday alone. The most affected province is Tehran, where 1,945 coronavirus cases had been reported as of March 9. The central province of Qom is the second-worst-hit province with 712 confirmed cases, followed by Mazandaran (633), Isfahan (601), and Gilan (524). Approximately 1,669 COVID-19 patients in Iran have recovered thus far.

Iranian authorities continue to adopt measures to combat COVID-19; rapid spread of the virus is likely to continue in the near future.

- All schools and universities have been closed, major cultural and sporting events canceled, and working hours reduced nationwide in a bid to prevent the spread of COVID-19.
- Streets and public transportation infrastructure are being disinfected daily.
- An official from the World Health Organization (WHO) recently said that Iran has been making progress with regard to the treatment of COVID-19 at local hospitals.
- However, widespread quarantines, akin to those enacted in China and Italy, have yet to be adopted and some mosques have failed to heed the government's orders to suspend prayers.
- More than 70,000 inmates have been released on bail from overcrowded prisons, where UN officials have indicated the virus has been spreading.
- Iran's flag carrier Iran Air has lifted an indefinite suspension of flights to Europe after just two days.
- Rather than containing the virus, critics have claimed that such steps could cause further spread of COVID-19.
- Potential for further transmission is exacerbated by the absence of an effective public information campaign, evidenced by the death of some 30 people after ingesting counterfeit liquor rumored to be an effective treatment for COVID-19.
- Local authorities have also expressed concern over the future spread of COVID-19 in light of the upcoming holiday of Nowruz, or the Persian New Year, when many Iranians travel to celebrate the occasion. Iranian authorities have instructed citizens to remain in their cities of residence, even threatening to use force to ensure compliance with the movement restrictions. However, many citizens appear to have been ignoring the order, as heavy traffic has been reported heading towards the Caspian coast.

Egypt

Egypt has reported 59 cases of COVID-19 since February 14, including one death, a German tourist who traveled from the southern city of Luxor to the Red Sea town of Hurghada last week. Forty-five of the patients are passengers and crew members of a Nile cruise ship that has been quarantined in Luxor since March 6. One person has recovered.

Slow responses, concerns over the government's transparency, and a weak healthcare system raise the possibility of Egypt becoming the next COVID-19 hotspot.

- Whereas many of its regional counterparts began adopting such measures several weeks ago, Egypt only banned public gatherings, suspended balloon rides, cancelled a film festival, and improved cleanliness at hotels in Luxor on Monday; schools, sporting events, tourist visits, and Friday prayers reportedly continue as scheduled.
- Nearly 30 people from Canada, France, Greece, and the United States have tested positive for COVID-19 upon returning from trips to Egypt in recent weeks.
- The government's desire to avoid embarrassment and protect its tourism industry, coupled with Egypt's size and popularity as a destination for foreign travelers, raise the possibility that the number of COVID-19 cases is much higher than what has been reported.
- The nation's healthcare infrastructure is also regarded as weak, potentially preventing effective, widespread testing on the scale of Italy or South Korea.
- Egypt is likely to be the recipient, as well as the sponsor, of travel restrictions and other preventative measures in the coming days and weeks.

Spread of COVID-19: The United States

The situation in the United States has continued to worsen as the number of COVID-19 cases and deaths rise across the country. As of Tuesday, at least 773 cases and 26 deaths have been reported across 36 states and Washington DC. This is a significant uptick from last week when only 100 confirmed or presumptive cases were reported. Washington State, California, and New York are the states with the most concerning numbers of cases and Washington has reported 22 of the 26 deaths. Testing is becoming more widespread; however, the number of tests being carried out within the U.S. continues to lag behind other countries for a variety of reasons, including a lack of resources. The lack of tests, combined with what is currently a much higher death rate than most other countries, suggests that the actual number of cases within the U.S. is much higher than what is being reported.

- The following states have declared states of emergency in response to the outbreak: Colorado, North Carolina, Iowa, New Jersey, Florida, Illinois, Rhode Island, Ohio, New York, California, Washington, Oregon, Utah, Maryland, Massachusetts, and Kentucky. Other states are likely to follow in the coming days and weeks.
- The cluster outbreak at the Life Care Center of Kirkland in Washington has worsened, with at least 19 residents dead and potentially over 50 COVID-19 cases. The center remains on lockdown.
- The Grand Princess cruise ship has seen an outbreak with at least 21 confirmed cases after a recent round trip from San Francisco to Mexico. The ship was quarantined outside the Bay Area before docking at the Port of Oakland on Monday. All passengers on board were taken to one of four military bases: Travis Air Force Base outside Sacramento, Marine Corps Air Station Miramar outside San Diego, Joint Base San Antonio-Lackland in Texas, or Dobbins Air Force Base in Georgia. All

- A potential exposure to COVID-19 was reported at the Conservative Political Action Conference (CPAC) last week in Oxon Hill, MD. In response, several members of the U.S. Congress have self-quarantined.
- Companies are increasingly utilizing work-from-home arrangements when possible.
- A one-mile “containment area” has been created around a synagogue in New Rochelle, NY, which is believed to be an epicenter of a cluster in the area. All public gathering places, including schools, have been ordered to close beginning Thursday, March 12, until at least March 25. The National Guard has been sent to help with cleaning facilities and delivering food to residents.
- There remain no major restrictions on domestic travel; however, some individual airline routes have been canceled due to decreased demand.
- The U.S. Centers for Disease Control and Prevention (CDC) continues to state the risk to the general public is low.

Spread of COVID-19: Latin America and the Caribbean

Throughout Latin America and the Caribbean, confirmed cases of COVID-19 presently remain well below the numbers observed in Europe and the United States. This might be due to the relatively few direct flights linking Latin American cities with China. Most routes between the two regions have layovers in the United States, which provide an extra opportunity for infected individuals to be detected during health screenings. The vast majority of COVID-19 cases that have been confirmed throughout Latin America and the Caribbean thus far have been imported from Europe over the last several weeks.

Most countries in the region have boosted health screening at ports of entry, and many have enacted travel restrictions barring the entry of individuals who have been to China, Italy, or Iran within the past 14 days. Some countries, such as Ecuador and Costa Rica, have banned large public gatherings for events such as concerts and soccer matches, to reduce the risk of transmission. Still, at this juncture, there have been no reports of any large-scale quarantines of neighborhoods or towns. Most schools, businesses, and government agencies remain open, although employees have in some cases been advised to work remotely when possible. The tourism sector in many countries across the region is expected to take a financial hit due to a drop-off in arriving travelers.

Supply Chain Disruptions and Business Impacts

Supply chains in mainland China continue to be disrupted even as the public health situation improves. Many cities and provinces are worried that a new outbreak could quickly spiral out of control and undo the progress made in recent months.

Signs of Improvement in Mainland China

- Around 52 percent of small and medium-sized enterprises (SMEs) have restarted, up from 33 percent on February 26.

- Outside of Hubei Province, the restart of work of larger businesses has generally exceeded 90 percent, with Zhejiang, Guangdong, Shandong, and Jiangsu exceeding 95 percent.
- Bicycle commuting has increased at least three-fold in Beijing, Shanghai, Guangzhou, and Shenzhen compared to early February, according to a bike-sharing company.
- Cargo volumes at Chinese ports are recovering after seeing a sharp decline in mid-February, according to CargoMetrics. Freight shipping rates are also recovering, according to the Baltic Dry Index. Major ocean container lines have said that their operations are returning to normal in most areas.
- Domestic flight and hotel bookings are recovering, increasing by 40 percent for hotels and 250 percent for flights in the last week of February.

Signs of Caution in Mainland China

- At least 78 million migrant workers have returned to their jobs, according to the Ministry of Human Resources and Social Security on March 7. This represents around 60 percent of the workforce, which is lower than what other media outlets had previously reported. Morgan Stanley estimated that around two-thirds of workers had returned to the largest cities.
- Many cities are still requiring 14-day quarantines for returning workers, although local authorities in low-risk areas have been instructed by the State Council to recognize health certificates from other provinces.
- Despite improvements, many SMEs are still closed. G7 Networks has reported that full-truck deliveries used by large companies has increased significantly, but shared consignment shipments used by smaller companies has only increased marginally.
- A plastic factory in Anhui was forced to shut down after a COVID-19 case was confirmed, highlighting the continued risk of more outbreaks as workers return and the potential for further disruptions.
- The services and manufacturing sectors fell to a record low in February, as shown by the purchasing managers' index (PMI). Both declines were larger than expected. Lower demand from abroad due to the virus expanding internationally will also put more financial pressure on factories and could force some to close.
- Cargo volume at China's eight largest ports declined by 20 percent in February.
- Nine of China's regions, including Beijing, have not yet lowered their emergency response levels for the virus.

Supply chain disruptions outside of mainland China are continuing, suggesting that the progress made so far has not yet been sufficient to normalize the situation. Outbreaks abroad are also contributing to additional disruptions.

Factories across the world report ongoing disruptions.

- Samsung Electronics has said that it was moving some smartphone production away from South Korea to Vietnam due to multiple outbreaks at its factory in Gumi, North Gyeongsang Province.

- Indian automakers are exploring options to emergency airlift critical automotive parts from China to avoid production disruptions. Smartphone makers have also warned that supplies of some components could be exhausted by March 20.

Pharmaceutical sector impacted due to possible shortage of ingredients from China.

- India restricted the export of 26 pharmaceutical ingredients and medicines, including paracetamol, despite the government saying there will not be a shortage for at least three months.
- New Zealand's PHARMAC placed limits on the distribution of drugs containing paracetamol due to potential supply issues.
- The U.S. Food and Drug Administration (FDA) said it was postponing most inspections outside of the U.S., potentially causing delays to product application reviews and other activities.

Garment sector in Southeast Asia still facing considerable disruptions.

- In Myanmar, at least 13 factories in the Yangon and Bago areas have closed or cut back production due to a lack of raw materials and a decrease in the number of orders.
- The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has said that acquiring raw materials has been difficult and customer demand has declined significantly.
- A Cambodian factory in Kandal was forced to lay off 800 workers due to a lack of raw materials, resulting in a protest.

Large infrastructure and economic projects face ongoing delays.

- In Laos, construction on the Boten Special Economic Zone and the China-Laos railway has halted or been delayed due to a lack of Chinese workers.
- In Indonesia, work has been suspended on a high-speed railway between Bandung and Jakarta, along with a hydropower project in North Sumatra, as Chinese workers are not allowed back into the country.
- Transportation infrastructure projects in Singapore, such as plans for new MRT stations, Changi Airport's Terminal 5, Tuas Port, and a new Electronic Road Pricing system, face delays due to a shortage of construction equipment and raw materials.
- Murray & Roberts (M&R) has said that infrastructure projects in South Africa and Mongolia have faced delays due to quarantine measures affecting the transportation of workers and equipment.
- Within Bosnia and Herzegovina, the Republika Srpska entity has suspended joint projects with Chinese companies over concerns about the further spread of the virus. Chinese companies with joint ventures in the majority-Serb entity are frequently involved in infrastructure projects.

Spread of major COVID-19 outbreaks to other countries results in additional supply chain disruptions.

Air cargo capacity hit as more flights canceled to countries experiencing outbreaks.

- Major airlines have said that their capacity would be reduced by between 10 and 25 percent over the next three months. Korean Air has said that 80 percent of its international capacity has been cut.

Travel Restrictions Update

As the COVID-19 outbreak continues to grow, the number of countries implementing restrictions on travel to the affected countries is increasing, while some countries are expanding their existing restrictions to encompass new areas affected by the outbreak. Restrictions on travel from mainland China largely remain in place and countries such as Italy, Iran, South Korea, and others in Europe are increasingly being added to the list of places subject to bans and quarantines. The following is a list of new and updated restrictions:

Australia – Foreigners who have been to or transited through South Korea on or after March 5 are banned from entering the country for 14 days.

Austria – Italians will be denied entry without a medical certificate indicating they are free of COVID-19.

Bahamas – Foreigners who have been to China, Iran, Italy, or South Korea in the last 20 days will be denied entry.

Brunei Darussalam – Foreigners from Italy and Iran in the past 14 days will be denied entry.

Bermuda – Foreigners who have visited China, Taiwan, Iran, northern Italy, Hong Kong, Japan, Macau, Malaysia, Singapore, Thailand, or Vietnam in the last 14 days will be subject to a 14-day quarantine.

China – Foreigners arriving from Iran, Italy, Japan, and South Korea will be subject to a 14-day quarantine.

Egypt – Qatari nationals are prohibited from entering the country.

El Salvador – Foreigners who have visited Iran in the past 30 days will not be allowed to enter.

Georgia – Chinese and Iranian nationals arriving from their respective countries in the last 14 days are prohibited from entering the country. Those who visited China, Iran, Italy, or South Korea will be subject to a 14-day quarantine.

Hong Kong – All visitors from Italy and parts of France, Germany, and Japan will be subject to a two-week quarantine beginning on March 13.

Hungary – Iranian nationals are not allowed to enter the country.

India – Beginning on March 10, all passengers arriving from or who have visited Italy or South Korea with a visa issued after March 5 are required to obtain a health certificate showing that they tested negative for the virus in order to enter the country.

Indonesia – Foreigners who have visited parts of Iran, Italy, and South Korea in the last 14 days are not allowed to enter or transit the country.

Israel – The entry ban has been expanded to include foreigners who have been to Austria, France, Germany, Spain, and Switzerland. All travelers from abroad will be required to self-quarantine for 14 days.

Japan – The entry ban has been expanded to include parts of South Korea and Iran.

Jordan – Beginning on March 14, all passengers arriving from France, Germany, and Spain will be required to provide a health certificate showing that they are free of COVID-19 to enter the country. All travelers from Lebanon and Syria have also been banned.

Kazakhstan – Travelers from Italy, France, Germany, and Spain will be barred from entering the country from March 12.

Kiribati – Travelers who have been in Australia, China, Egypt, France, Germany, Italy, Japan, South Korea, Malaysia, Singapore, Spain, Thailand, the United States, the United Arab Emirates, the United Kingdom, or Vietnam are barred from entering without first staying in a country with no confirmed cases of COVID-19 for at least 14 days and presenting a medical document showing that they do not have COVID-19.

Kuwait – The entry ban has been expanded to include any foreigners who have visited Bangladesh, Egypt, India, Iran, Lebanon, Philippines, Sri Lanka, and Syria in the past 14 days.

Kyrgyzstan – Travelers who have been in China, Iran, Italy, Japan, or South Korea within the past 20 days are barred from entering or transiting the country.

Malaysia – The entry ban has been expanded to include any foreigners who have visited Tehran, Qom, or Gilan in Iran.

Maldives – The entry ban has been expanded to include foreigners who have visited Iran, Italy, and Bangladesh in the last 14 days.

Marshall Islands – International passengers are banned from entering the country until March 22.

Moldova – Foreigners arriving by air from any country affected by the outbreak will be denied entry.

Nauru – The entry ban has been expanded to include passengers who have visited Iran in the past 21 days.

Oman – Egypt has been added to the list of banned countries.

Qatar – Travelers who have visited China, Egypt, India, Iran, Iraq, Korea, Lebanon, Nepal, Pakistan, Philippines, Sri Lanka, Syria or Thailand in the past 14 days are barred from entering the country.

Romania – Foreigners who have been to or transited through China, Iran, Italy, or South Korea are banned from entering the country.

Samoa – The entry ban has been expanded to include passengers who have visited or transited through Bahrain, France, Germany, and Spain.

Saudi Arabia – Egypt has been added to the list of banned countries.

Serbia – Travelers arriving from Italy, parts of China, South Korea, Iran, and Switzerland have been banned from entering the country.

Singapore – The entry ban has been expanded to include foreigners from Iran, parts of Italy, and South Korea.

Solomon Islands – The mandatory quarantine has been expanded to include passengers from Afghanistan, Australia, Bahrain, Belgium, Cambodia, Canada, Egypt, Finland, France, Germany, India, Iraq, Israel, Kuwait, Lebanon, Malaysia, Nepal, Oman, Philippines, Russia, Spain, Sri Lanka, Sweden, USA, United Arab Emirates, United Kingdom, and Vietnam.

Sri Lanka – Passengers who have visited Iran, South Korea, or Italy in the past 14 days will be subject to a mandatory quarantine.

St. Maarten – Travelers who have visited China, Hong Kong, Iran, Italy, Japan, Korea, or Singapore in the past 14 days are prohibited from entering.

Thailand – Passengers arriving from China, Hong Kong, Iran, Italy, Korea, and Macau must provide a health certificate showing they are free from the virus in order to enter the country.

Turkmenistan – Nationals from Afghanistan, Australia, Bahrain, Belgium, Cambodia, Canada, China, Croatia, Finland, France, Georgia, Germany, India, Iran, Iraq, Israel, Italy, Japan, Korea, Kuwait, Libya, Malaysia, Nepal, North Macedonia, Norway, Oman, Pakistan, Philippines, Russia, Singapore, Spain, Sri Lanka, Sweden, Thailand, USA, United Arab Emirates, Vietnam, UK, Taiwan, Hong Kong, and Macau are not allowed to enter the country.

United Arab Emirates – Iranian nationals are prohibited from entering or transiting through the country.

Vietnam – Foreigners who have visited or transited through China in the last 14 days are not allowed to enter the country. Those arriving from South Korea, Italy, and Iran will be subject to a mandatory 14-day quarantine.

[The Risk Intelligence Monitoring Center \(RIMC\) is monitoring travel restrictions in over 70 countries and territories due to the ongoing COVID-19 outbreak via a 'Worldwide - Travel Advisory.'](#) Information on all travel restrictions in place can be found within the 'Worldwide - Travel Advisory' event.

Assessment

Over the past few weeks, the threat posed by COVID-19 has shifted dramatically from mainland China to the rest of the world. China appears to have the virus contained, although there is still a risk of future outbreaks and connected supply chains are still facing significant disruptions. South Korea has seen a decrease in new cases in recent days, although it is still too soon to say that their outbreak is over, especially since new local clusters continue to be reported across the country. The situation in Iran, Italy, the United States, and Europe and the Middle East more broadly, appears to be worsening, with many countries reporting two- to ten-fold increases in the number of cases over the past week. In general, these countries are not taking severe quarantine measures or imposing movement restrictions that have been shown to be effective in limiting the spread of COVID-19, which will likely lead to a large increase

in cases over the coming weeks and a further spread to more countries. The absence of these restrictions has limited the impact to businesses and overall supply chains, but this may not hold true in the future if the outbreak continues to worsen. The lack of comprehensive COVID-19 testing, excluding South Korea, and Italy to a lesser extent, is also likely resulting in the number of cases being underreported and contributing to the spread of the disease, as infected individuals are not being identified and isolated.

It is likely that the COVID-19 outbreak will worsen across the world in the coming weeks for countries that have reported high numbers of cases and have not reached the peak of their outbreaks. There is also a high likelihood that outbreaks will spread to additional countries that have reported few or no cases. However, the public health situation in each country or region is unique and customers should be closely monitoring the situation and follow advice from their national health authorities in regard to prevention methods. International travel restrictions are also likely to increase, and those traveling to other countries should be aware that their itineraries could be affected, especially if it includes an area where COVID-19 cases have been reported recently.

About the Author

Mathew Mikuni is the Regional Analyst for Asia/Pacific. Mathew earned his BA with a double major in Diplomacy and World Affairs and Asian Studies from Occidental College. He spent three years living in Japan and assisted NC4 with on-the-ground reporting as a foreign correspondent. Mathew also has comprehensive experience as a real-time international, domestic, and support analyst.