SITUATION OVERVIEW

The outbreak of the novel coronavirus COVID-19 that first emerged in Wuhan, China, in December 2019 continues to escalate, with 75,571 confirmed cases and 2,239 deaths as of 1800hrs on Friday 21 February, China local time (see table below). New infections continue a pattern of decline, although the number of new infections may change significantly day-to-day in specific locations. Two recent clusters of infections at Beijing hospitals serve as a reminder that risk remains elevated. Meanwhile a spike in infections in South Korea and Japan has increased concerns about a possible global pandemic.

Travel and work continue a slow and uneven resumption throughout China, with conflicting anti-epidemic measures between localities a key compliance challenge.

Travel Advisory
- Page 2

Current Key Concerns
- Page 2

Chinese Government Measures
- Page 3

Political Advisory
- Page 4

Global and Selected Foreign Country Measures
- Page 4

Security Response Benchmarking
- Page 5

Virus Factsheet & Prevention Recommendations
- Page 5

Infections/deaths by Territory
- Page 7
On Wednesday, the National Health Commission (NHC) issued new national diagnostic criteria that overrode Hubei’s earlier decision to count clinically diagnosed cases as “confirmed,” unifying national diagnostic practices. There has been some speculation that the decision represented a form of data manipulation, but some medical experts said the change was in line with normal practices, considering the context.

Travel Advisory
The US State Department advisory remains at Level 4, Do Not Travel, for all of China.¹ On 11 February, the State Department said that it allowed non-essential personnel to leave the Consulate in Hong Kong. It advises that those currently in China should attempt to depart using commercial means. For those who stay in China, it advises following CDC guidelines and stocking up on food to limit movement outside the home. The US Centers for Disease Control and Prevention (US CDC) has issued a Level 3 advisory: “Warning”, avoid all non-essential travel to China.²

The US Centers for Disease Control and Prevention issued a “Level 1” travel advisory for Hong Kong, due to the rising number of infections in the city. The advisory recommends practicing usual precautions, including frequent hand washing and avoiding the sick. While mild, the advisory is the first step on a ladder of warnings, and clients should expect escalations. The political situation is complex, with a number of important developments related to the epidemic, as well as the surprise appointment of a new head of the Hong Kong and Macau Affairs Office.

According to the World Health Organization (WHO), some 72 states parties have implemented restrictions on foreign nationals with travel history in China. Hong Kong, Macau and Taiwan have implemented restrictions on Mainland Chinese (see Global and Selected Foreign Country Measures below). Many airlines have limited or suspended China services. A list of countries and airlines that have restricted China transit is available here. The WHO on 11 February called the virus a “very grave threat”, but maintains its current posture toward the outbreak, with a “public health emergency of international concern” (PHEIC) in effect. A WHO advanced team is currently in Beijing to prepare an international mission and to determine the questions the international team will want to learn more about.

The WHO risk assessment in Situation Report 31 published 20 February:

**China: Very High; Regionally: High; Globally: High**

Current Key Concerns

- It is possible that with the return of people to major cities following the end of the extended Lunar New Year holiday and the tentative resumption of work that the number of new infections will increase. Signs of continued spread could prompt another round of office and factory closures, and more restrictions on the movement of people between and within cities.
- There are credible indications that Wuhan hospitals are facing additional difficulties due to a high number of healthcare worker infections, and few signs of the epidemic slowing there. On 17 February, China’s Center for Disease Control and Prevention announced that 1303 additional medical workers have been diagnosed with the disease, bringing the total to some 3,000.
- Uncontrolled spread in other countries remains a possibility as case numbers continue to rise. The pace of new infections in Singapore, Japan and South Korea is particularly concerning, as the data is consistent with an early-stage epidemic, with infections doubling at roughly 4-6 day rate.

¹ https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages/China.html
Chinese Government Measures

China has allocated more than USD 10 billion to combat the epidemic with preventative measures continuing to escalate. **Progressively lower levels of government have introduced their own epidemic countermeasures, some of which are quite strict, including monitoring the movement of individuals at the neighbourhood level. These measures may vary greatly from place to place.** Clients are advised to research their own areas of operations and residence to ascertain the most accurate and up-to-date information.

- Following the discovery of unusual cases in Henan Province, the mandated self-quarantine period for those traveling from Hubei has been increased from 14 to 21 days.
- The government has encouraged companies to take anti-epidemic measures as people return to work. This may include basic temperature checks, inquiries into travel history and flexible working arrangements.
- The government has taken new steps to monitor interprovincial travel, including inspecting geolocation data from mobile devices to determine the travel history of individuals; China’s mobile carriers have facilitated this by introducing a new texting service that sends geolocation history to users upon request. However, generally speaking, travel remains relatively free except in epicentre areas in Hubei, as well as Wenzhou in Zhejiang. Travellers coming from or passing through epicentre areas face scrutiny, including monitored self-quarantines. Some locations are experimenting with technology to track quarantined individuals, with a QR code system adopted in Hangzhou, and door sensors trialed in some areas of Shanghai. Such measures are not likely to see widespread implementation, however.

- **Travel & Transportation Restrictions:**
  - At least 16 cities in Hubei province have adopted quarantine measures of some kind, including shutting down airports and railways. On 16 February, Hubei instituted a province-wide vehicle ban.
  - **On 20 February, the city of Wenzhou, Zhejiang Province, announced that it would reopen highways and remove some checkpoints.** Movement in and out of the city has been tightly restricted.
  - There are travel and public transit restrictions of various degrees throughout China. If traveling, clients are advised to research their route and destination to ascertain up-to-date information.
  - China’s National Railway Group announced on 15 February that in addition to no longer selling standing-room only tickets, it began limiting sales for seats. This will reduce train capacity by 50%.

- **Work/School/Event Cancellations:**
  - Adjustments and cancellations to normal work and school schedules are widespread throughout China. As in other epidemic countermeasures, these may vary significantly from place to place, and clients are advised to research their own locations. It is possible that work schedules may not normalise until March or later.
  - Schools in some areas, including Shanghai, have announced that the new semester will be conducted online.
  - Companies must meet certain inspection and registration requirements before resuming operations. A circular released by the State Council guiding local governments is available [here (in Chinese)]. Companies should check with local regulators for specific requirements.

- **Medical Services:**
  - Medical services outside severely impacted areas are currently operating normally, with limited signs of strained capacity.
  - Shortages of surgical masks are widespread. The Shanghai government announced that beginning 2
February residents wishing to purchase masks will have to register with their ID at designated locations. Households will be limited to five masks daily, distributed on a first-come-first-served basis.

- **Social and Political Issues:**
  - There have been reports of social tensions, including discrimination against people from Wuhan/Hubei.
  - On 13 February, the central government announced the replacement of the Hubei Party Secretary, a position that will now be filled by the former mayor of Shanghai. The announcement followed the removal of top personnel from the Hubei health commission.
  - There is intense public anger over some aspects of the government’s handling of the health crisis, in particular the revelation that early reports of the virus were suppressed in Wuhan. The death of a physician, Dr. Li Wenliang, on 6 February who was reprimanded by authorities in late December for “rumor-mongering” has significantly heightened tensions. However, the risk of social unrest, e.g. street protests, remains low.
  - Media controls have been tightened significantly. Media reports indicate stricter application of censorship controls on WeChat. *Hill & Associates* is aware of anecdotal reports of censors blocking WeChat accounts of individuals sending messages in Chinese that are critical of the government in small private chat groups.
  - There is a risk of social instability in Hong Kong. Public anger over the government’s refusal to seal the border with Mainland China resulted in a strike among healthcare workers, which ended on 7 February after the government tightened border controls. There has been a string of bombing incidents and threats, also aimed at forcing the government to seal the border, and numerous locally-focused protests against quarantine sites. With public trust in the administration of Chief Executive Carrie Lam still severely damaged from the political crisis last year, her handling of the virus and the attendant social and economic impacts will be significantly more difficult. Clients should prepare for the possibility of a return of violence.

**Political Advisory**

In addition to being a health emergency, the virus outbreak is also a sensitive political matter for the Chinese state. Reports of anti-Chinese xenophobia in foreign countries as well as diplomatic tensions could increase the level of sensitivity. Clients are advised to remain up to date with national and local regulations related to the crisis, and to note that measures adopted by provincial and local governments in China may not be uniform.

**Global and Selected Foreign Country/Special Territory Measures**

Airports across the world have introduced enhanced screening measures to prevent the further international spread of the disease. According to a report by the WHO, at least 72 states parties have implemented travel restrictions on foreign nationals who have been in China. Although specific regulations may vary, foreign nationals are typically barred entry if they have been in China within the past 14 days upon arrival at customs. At least 43 airlines around the world have suspended flights to China. The WHO is working on recommendations for resuming flights. A list of countries and airlines that have restricted China transit is available [here](#).

Travel has been limited between the Mainland and other Chinese territories:

- **Hong Kong**
  - Temporary ban on travellers arriving from Wuhan and Hubei.
  - Mandatory quarantine on anyone arriving from Mainland China for 14 days.
Cross-border travel has been curtailed. As of 3 February all but the following four ports of entry have been temporarily closed: Shenzhen Bay Port, Hong Kong-Zhuhai-Macau Bridge, Hong Kong International Airport and Kai Tak Cruise Terminal. Flights to the mainland are greatly reduced. Beijing additionally said it would suspend the issuance of new individual travel permits to Hong Kong.

- **Macau**
  - Temporary ban on travelers arriving from Wuhan and Hubei.
  - Macau’s casinos will reopen on 20 February following an unprecedented shutdown.

- **Taiwan**
  - Mainland Chinese barred from entering Taiwan.
  - All arrivals that have traveled in Hong Kong and Macau will be quarantined for 14 days.

**Evacuations:** Many nations have confirmed at least limited evacuations of their citizens living in Wuhan. The US State Department advises that those currently in China should consider departing using commercial means, and it has ordered the departure of all family members of U.S. personnel in China under the age 21. A list compiled by Reuters of evacuations by country is available here.

**Security Response Benchmarking**
Multinational firms have begun adopting various policies in response to the outbreak, including the following:

- Restricting all non-essential travel to China
- Allowing flexible working arrangements including working from home, cancelling outbound travel for Chinese employees who wish to remain with their families
- For employees returning from China, mandatory working from home for a set period, for example 14 days, to mitigate the risk of passing infection to offices abroad. Four people in Germany are reported to have been infected by a visiting Chinese co-worker
- Mandating that employees presenting flu-like symptoms obtain a diagnosis before returning to work
- A large number of major multinational corporations have closed their offices and stores or suspended operations in Mainland China, Hong Kong or both. A list compiled by Reuters that includes various corporate closures is available here.

**Virus Factsheet**
Key aspects of the Wuhan coronavirus, or “COVID-19,” are still relatively poorly understood. The following information is derived from WHO Situation Reports and other sources.

- **Incubation Period:**
  - 1-14 days, but generally 3-7 days. Recent research by a Chinese team found that the incubation period could be as long as 24 days. According to the WHO, the median incubation period has been further refined to 5-6 days.

- **Severity:**
  - Most people expected to present relatively mild symptoms
  - Current estimates suggest that about 15% progress to severe disease with 3% becoming critical, including pneumonia and respiratory failure

---


- Transmissibility:
  - The virus is human transmissible. Whether the disease can be spread by asymptomatic patients is disputed in the scientific community, although patients with very mild symptoms likely can transmit. Recent research by Chinese scientists supports asymptomatic spread and concludes that the virus behaves similarly to the flu, suggesting that it may spread more easily than previously thought.
  - The reproduction number of the virus, expressed as \( R_0 \) (R-naught), which indicates how many additional infections will result from each infection, remains uncertain. The WHO published an estimated \( R_0 \) of 1.4 to 2.5, although some teams have placed this number higher. (In a disease with a \( R_0 \) of 1 each infection would be expected to cause one additional infection.)
  - **Routes of transmission are believed to include:**
    - Respiratory droplets
    - Close physical contact
    - Contact with contaminated surfaces, where the virus may survive for some time
    - Limited evidence for transmission via the fecal-oral route
    - There has been some misinformation that the virus may be able to spread long distances through the air. This is false.

- **Prevention:** If traveling to China, you are advised to:
  - Avoid contact with sick people
  - Avoid animals (alive or dead), animal markets, and products that come from animals (such as uncooked meat).
  - Wash hands often with soap and water for at least 20 seconds. Use an alcohol-based hand sanitizer if soap and water are not available.

  Those who have become ill during a 14-day period following travel to China should:
  - Seek medical care right away. Before you go to a doctor’s office or emergency room, call ahead and tell them about your recent travel and your symptoms.
  - Avoid contact with others
  - Do not travel while sick
  - Cover your mouth and nose while sneezing with a sleeve or tissue, not with the hands
  - Wash hands often with soap and water for at least 20 seconds. Use an alcohol-based hand sanitizer if soap and water are not available.

- **Treatment:**
  - The only proven available treatment for the disease is standard supportive care
  - There is anecdotal evidence that anti-viral and AIDS drugs may be useful in treating patients, however these treatments have not yet been validated.

- **Scrutiny of Infection Numbers and Data:**
  - Reported infection figures in China are generally believed to be credible, although some experts have noted that because patients with milder symptoms may go undiagnosed, total infections may be higher. A number of cities in China have banned the sale of over-the-counter flu medicines in attempts
to force people to check themselves into hospital, suggesting concern over the possibility of underreported infections, although such policies may be an overreaction.

- However, there are strong anecdotal indications that incidence even of relatively serious cases in Wuhan and Hubei may be higher than official numbers due to strain on the medical system.\(^5\) Additionally, cases are only classified as confirmed once a patient has twice tested positive for the virus; the reported shortage of testing kits may make double confirmation more difficult.\(^6\)
- Chinese domestic and international media has extensively report on what is believed to be an effort by the Wuhan local government limit reporting of the epidemic in its early stages. However, there is no credible evidence that the Chinese government is currently manipulating infections figures.
- Media sources have reported some frustration in the global scientific community over the lack of detailed epidemiological data.

**Infections/Deaths by Territory**

<table>
<thead>
<tr>
<th>Province or Territory</th>
<th>Infected</th>
<th>Deaths</th>
<th>Province or Territory</th>
<th>Infected</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wuhan/Hubei</td>
<td>62,662</td>
<td>2,144</td>
<td>Shaanxi</td>
<td>245</td>
<td>1</td>
</tr>
<tr>
<td>Guangdong</td>
<td>1,333</td>
<td>5</td>
<td>Yunan</td>
<td>174</td>
<td>2</td>
</tr>
<tr>
<td>Henan</td>
<td>1,267</td>
<td>19</td>
<td>Hainan</td>
<td>168</td>
<td>4</td>
</tr>
<tr>
<td>Zhejiang</td>
<td>1,203</td>
<td>1</td>
<td>Guizhou</td>
<td>146</td>
<td>2</td>
</tr>
<tr>
<td>Hunan</td>
<td>1,011</td>
<td>4</td>
<td>Shanxi</td>
<td>132</td>
<td>3</td>
</tr>
<tr>
<td>Anhui</td>
<td>988</td>
<td>6</td>
<td>Tianjin</td>
<td>132</td>
<td>3</td>
</tr>
<tr>
<td>Jiangxi</td>
<td>934</td>
<td>1</td>
<td>Liaoning</td>
<td>121</td>
<td>1</td>
</tr>
<tr>
<td>Shandong</td>
<td>749</td>
<td>4</td>
<td>Gansu</td>
<td>91</td>
<td>2</td>
</tr>
<tr>
<td>Jiangsu</td>
<td>631</td>
<td>4</td>
<td>Jilin</td>
<td>91</td>
<td>1</td>
</tr>
<tr>
<td>Chongqing</td>
<td>567</td>
<td>6</td>
<td>Xinjiang</td>
<td>76</td>
<td>1</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Province/Region</th>
<th>Infected</th>
<th>Deaths</th>
<th>Province/Region</th>
<th>Infected</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sichuan</td>
<td>525</td>
<td>3</td>
<td>Inner Mongolia</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Heilongjiang</td>
<td>479</td>
<td>12</td>
<td>Ningxia</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Beijing</td>
<td>396</td>
<td>4</td>
<td>Hong Kong</td>
<td>68</td>
<td>2</td>
</tr>
<tr>
<td>Shanghai</td>
<td>334</td>
<td>2</td>
<td>Taiwan</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>Hebei</td>
<td>308</td>
<td>5</td>
<td>Qinghai</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Fujian</td>
<td>293</td>
<td>1</td>
<td>Macau</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Guangxi</td>
<td>246</td>
<td>2</td>
<td>Tibet</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country (27 incl. China)</th>
<th>Infected</th>
<th>Deaths</th>
<th>Country</th>
<th>Infected</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>156</td>
<td></td>
<td>India</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>94</td>
<td>1</td>
<td>Italy</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>85</td>
<td></td>
<td>Philippines</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Thailand</td>
<td>35</td>
<td></td>
<td>Iran</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>22</td>
<td></td>
<td>Russia</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>17</td>
<td></td>
<td>Spain</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>16</td>
<td></td>
<td>Belgium</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Vietnam</td>
<td>16</td>
<td></td>
<td>Cambodia</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>15</td>
<td></td>
<td>Egypt</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>12</td>
<td>1</td>
<td>Finland</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>UAE</td>
<td>9</td>
<td></td>
<td>Nepal</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>9</td>
<td></td>
<td>Sri Lanka</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>8</td>
<td></td>
<td>Sweden</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>
**SUBSCRIPTION SERVICES & CONTACT INFORMATION**

**Special Reports**

Special reports can be compiled as and when clients have specific interests requiring additional research and assessment, or when a major issue arises and a special report is needed to help subscribers understand the developments and its impact. Special reports may also be purchased from the ‘Knowledge Centre’ on our website.

**Services**

Please visit www.hill-assoc.com for a comprehensive overview of Hill & Associates and our core service lines, namely:

1. Risk Intelligence
2. Asset Protection & Enterprise Risk Management
3. Corporate Intelligence
4. Fraud Prevention & Integrity Risk Management
5. Cyber Security

**Disclaimer**

Hill & Associates Ltd makes no representation or warranties with respect to the contents or use of this document, and specifically disclaims any express or implied warranties or usefulness for any particular purpose of this publication. Hill & Associates Ltd reserves the right to change or revise this document, at any time.

**Copyright**

2020 Hill & Associates Ltd. All rights reserved. Neither this publication nor any part of it may be reproduced, photocopied, stored in a retrieval system, or transmitted without the express prior consent of Hill & Associates Ltd. Any forwarding of this document or parts of it, to recipients outside of the subscriber organisation will constitute a copyright infringement.

**Contact Us**

For any enquiries, comments or feedback, please contact:

- Thomas Nunlist
  Analyst, China and North Asia
  thomas.nunlist@hill-assoc.com

- Or Ian Betts
  Risk Intelligence Service Line Leader
  ian.betts@hill-assoc.com

Hill & Associates’ Global Emergency Call Centre: +62 21 522 7711