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OPINION | REVIEW & OUTLOOK

The Omicron Variant Panic

Markets fall, but the biggest danger is more government lockdowns.

By [The Editorial Board](#)

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Markets sold off worldwide on Friday after South Africa raised alarm about the new “variant of concern” that the World Health Organization named Omicron. The panic may be driven more by the fear of new government lockdowns and social distancing than by the variant itself.

The Dow fell 2.5% while U.S. crude prices tumbled 13% as the U.S. and other countries restricted travel to southern Africa. President Biden wants lower oil prices, and he may get his wish. But the frantic response by governments and markets may be overwrought given how little we still know about Omicron and how much we’ve learned during the pandemic.

Omicron’s mutations appear to make it more transmissible and may allow it to evade some of the vaccine immune response. But this has also been true of other variants. The virus will continue to mutate as it spreads, and immuno-compromised individuals with chronic infections are petri dishes for new variants.

Cases have risen rapidly in the South African province where the new variant has been identified, crowding out the Delta strain. While this is worrisome, keep in mind that other variants that came to dominate local areas—California’s Epsilon, Brazil’s Gamma and South Africa’s Beta—haven’t taken off around the world as some scientists initially feared.

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The good news is we're better prepared if Omicron does spread and proves more virulent than other strains. BioNTech and Pfizer say they can quickly adjust their mRNA vaccine to combat the new variant if necessary. Moderna plans to rapidly advance an Omicron-specific booster candidate. The Food and Drug Administration would need to give vaccine manufacturers a green light.

Manufacturers have been reluctant to tweak vaccines for other new variants because this could become a game of whack-a-mole. Plus, modifying a vaccine for a new variant may leave it less effective against others. It's also worth remembering that vaccines generate T-cell immune protection, beyond antibodies, that variants can't easily evade.

Anti-viral Covid pills by Merck and Pfizer—which the FDA ought to approve pronto—have shown remarkable success in trials at preventing severe illness in high-risk groups. Both drug makers have licensed their pills to other manufacturers, so they should be widely available within months. The Biden Administration has ordered 13 million courses of the two drugs.

Mr. Biden nonetheless joined other governments on Friday in ordering restrictions on travel to the U.S. from South Africa and seven other countries as a “precautionary measure.” He seems to be doing this for political appearances lest he be criticized later for not doing enough.

But travel restrictions didn't stop the Delta, Alpha or the original Wuhan strain from spreading around the world. Omicron has been found in Belgium, which means it's probably already in Europe and the U.S. too. If Omicron is found in more countries—as invariably it will be—will governments shut down their borders and lock down again?

That's the fear animating markets. Many European countries are reimposing pandemic restrictions in response to rising cases. Austria has shut down again, and Germany is flirting with another national lockdown. Belgium on Friday announced it would close nightclubs and prohibit private parties except for weddings and funerals.

One clear lesson from the pandemic is that lockdowns do more harm than good. Booster shots will help the U.S. and Europe weather a winter surge and mitigate the impact of Omicron. That's no doubt why Mr. Biden on Friday urged all Americans to get boosters,

though the Centers for Disease Control and Prevention was late to endorse them for all adults.

The Administration worried about the political optics of boosting Americans while most people in low-income countries remain unvaccinated. That's also why Mr. Biden on Friday reiterated his support for a petition at the World Trade Organization backed by South Africa and India to waive intellectual property protection for Covid vaccines.

Even left-wing groups pushing the waiver acknowledge it won't do any good unless vaccine manufacturers are also forced to share their technical knowledge of how to produce the vaccines, which they are already doing with licensed partners. In any case, vaccine manufacturers are ramping up production as fast as possible consistent with quality control.

Vaccine hesitancy is also a bigger challenge than supply in some low-income countries. South Africa this week asked Johnson & Johnson and Pfizer to delay deliveries of their vaccines because it has a surplus.

Americans and the rest of the world need to learn to live with an ever-mutating virus. So do our politicians.

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