Governments, particularly in western Europe, had already struggled with rapid rises in cases and have reintroduced mandatory mask-wearing, social-distancing measures, curfews or lockdowns.

Existing COVID-19 inoculations will struggle against the fast-spreading Omicron variant, the head of vaccine manufacturer Moderna warned Tuesday, as countries ramp up vaccination programmes and impose further restrictions in an effort to curb growing concern.

First reported to the World Health Organization in South Africa less than a week ago, the new strain has rapidly spread from Africa to the Pacific, and from Europe to North America as dozens of countries have announced travel restrictions.

While no deaths have yet been reported from Omicron, and it could take weeks to know how infectious and how resistant the strain may prove to vaccines, its emergence underscores how besieged the world remains by COVID-19, nearly two years after the first cases were recorded.

Stephane Bancel, the head of US vaccine manufacturer Moderna, told the Financial Times in an interview published Tuesday that data would be available on the effectiveness of vaccines in the two weeks' time, but that scientists were pessimistic.

"All the scientists I've talked to ... are like 'this is not going to be good'," Bancel said, warning against a "material drop" in the effectiveness of current jabs against Omicron.

Moderna, US drugmaker Pfizer and the backers of Russian vaccine Sputnik V have all announced that they are already working on an Omicron-specific vaccine.

Scientists in South Africa said they had detected the new variant with at least 10 mutations, compared with three for Beta or two for Delta—the strain that hit the global recovery and sent millions worldwide back into lockdown.

China warned that the fast-spreading Omicron variant would cause challenges in hosting next February's Winter Olympics in Beijing, with thousands of athletes, media and participants arriving from overseas required to enter a strict "closed-loop" bubble.

The Omicron variant

Source: AFP count based on reports from health authorities
The Omicron variant.

"Urgent action"

"I think it will definitely lead to challenges linked to prevention and control," foreign ministry spokesman Zhao Lijian said.

"But China has a lot of experience in responding to COVID-19," Zhao added. "I firmly believe the Winter Olympics will be conducted smoothly."

On Monday, US President Joe Biden said the strain was "a cause for concern, not a cause for panic," stressing that he does not foresee new lockdowns or extending travel restrictions for now.

G7 health ministers called for "urgent action" to combat the Omicron variant.

The WHO said the overall risk from Omicron was "very high" and warned that any major surge would put pressure on health systems and cause more deaths.

Omicron could slow the recovery of the US economy and labour market and heighten uncertainty over inflation, Federal Reserve Chair Jerome Powell is to tell the Senate Banking Committee on Tuesday.

Governments, particularly in western Europe, had already struggled with rapid rises in case numbers and have reintroduced mandatory mask-wearing, social-distancing measures, curfews or lockdowns—leaving businesses fearing another grim Christmas.

Germany's outgoing Chancellor Angela Merkel was to meet remotely with her successor, Olaf Scholz, and regional leaders Tuesday on whether to toughen up restrictions to tame raging infections in the European Union's largest economy.

Germany's constitutional court has ruled that sweeping restrictions such as curfews, school closures and contact restrictions were lawful, likely to pave the way for further curbs with hospitals, already over capacity, long sounding the alarm.

"Contacts must be reduced," said Germany's vice-chancellor-in-waiting Robert Habeck, calling for tougher restrictions such as banning unvaccinated people from "all public facilities" apart from essential shops.

On Tuesday, Greece said coronavirus vaccines would be compulsory for over 60s, a day after Britain said all adults would be now eligible for a third COVID jab. On Tuesday, Norway also said it would offer a booster shot to all adults before Easter, as preferable to lockdown.

And in Switzerland, ahead of what some had hoped would be a prosperous ski season, hoteliers said they were facing a wave of winter cancellations following quarantine restrictions being imposed on travellers from certain countries, including Britain.

Hotels had seen "massive cancellations of corporate events and Christmas parties," said industry group HotellerieSuisse, calling on political leaders to take steps to avoid a lockdown and to maintain financial assistance to the sector already hard hit by the pandemic.
A ministerial meeting on the World Trade Organization, which had been due to take place this week in Geneva but which was postponed due to Omicron, could now take place in early March 2022, the body said.

The first confirmed case of the Omicron variant was in South Africa on November 9, with infections spreading rapidly in the country.

Russia, which has the highest toll from the virus in Europe and which has not yet reported a case of the Omicron variant, on Tuesday recorded its lowest total new daily infections since October 15.

Kazakhstan has banned flights from December 3 to Egypt, a popular tourist destination, over Omicron.