



# Avalon Perspectives



## 2022 Part 1: Will The Evil Genie Be Bottled Soon?

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By Mr. Raj Nair, Chairman, Avalon Consulting

**The views expressed in this article are those of the author and do not necessarily reflect the views of Avalon Consulting. In any case, it is not intended to be advice which may be the basis for business or other decisions that the reader may wish to take.**

## ABOUT THE AUTHOR



As a strategy consultant, Raj has helped companies across diverse industries in India, USA, Europe, and the Middle East to develop strategies, align strategy to vision, grow in competitive markets, restructure to make companies more customer focused etc.

In his current role, Raj serves as – Chairman: Avalon Consulting, AGR Knowledge Services, and Germinait Solutions Pvt Ltd

In his previous roles, Raj has worked as a Merchant Banker with Grindlays Bank and has also worked in the Consumer Durables industry. He is the past President of IMC Chamber of Commerce and Industry and Vice Chairman of Pan IIT Alumni Associatiom

Raj holds an engineering degree from the Indian Institute of Technology, Bombay which awarded him the Distinguished Alumnus Award and the Distinguished Service Award. He is a post-graduate from India's top business school, IIM Ahmedabad

# 2022-Part 1: Will the evil genie be bottled soon?

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Dec 31, 2021

Not so soon. I had said that in last year's paper. Opinions traverse the full distance between hope and the destructive potential of the virus, but I am cautiously hopeful. I suddenly heard a voice quoting from "Calvin & Hobbes," on the tragicomedy of life.

*Calvin: They say the world is a stage. But obviously the play is unrehearsed, and everybody is ad-libbing his lines.*

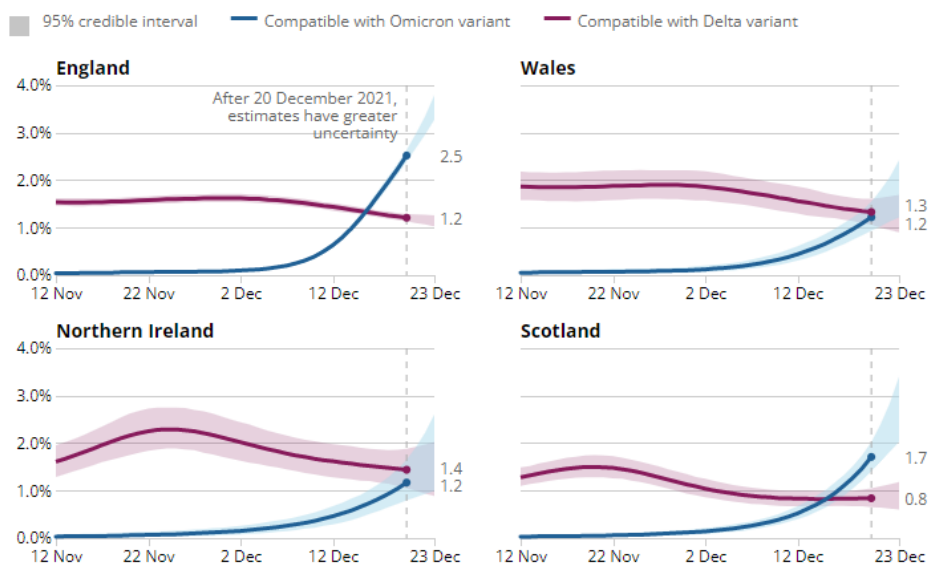
*Hobbes: Maybe that's why it's hard to tell if we're living in a tragedy or a farce.*

*Calvin: We need more special effects and dance numbers.*

The voice belonged to Cyrus the Virus. He had infected me and has been inside me for three weeks till Christmas and interfering in everything I do.

The good news is, that, 2022 will be better than 2021 on the whole. I don't mean, necessarily in terms of every macroeconomic factor but in respect of livelihood and lives because the debate will no more be, 'life versus livelihood'. The futility of blanket economic lockdowns is better understood now than it was in 2020. No country has the means to impose hasty and long economic lockdowns anymore and we have much more data now for better interim solutions. Travel restrictions and even curbs on large gatherings within countries and select cities are already on their way in. Since a sizeable portion of the population of some countries has been vaccinated at least once, it will reduce fatalities unless some freak killer variant appears out of the blue. Omicron is unlikely to fit that bill though admittedly not enough authentic research data is available. The sudden rise in Omicron infection in the UK suggests that this variant could be the most infective variant of Covid to date.

**Table 1: Rapid rise of Omicron infection in the UK**



Source: Office for National Statistics - Coronavirus (COVID-19) Infection Survey

The evil genie is still flourishing outside the bottle and Omicron is not the last mutation of Covid. Why then write this paper? It's because our future depends upon little details, that we take for granted in normal times or ignore when we see some periodic respite. Even Governments which helplessly or carelessly ignored some of them, are now coming to terms. "Little details, ha!" interjected Cyrus, "Unless you let me do your entire paper this time, I am not going to let you recover from Covid." I suggested that we include Dr Minto Freeman, as a compromise. Cyrus, who is vehemently anti-Keynesian, was relieved to know that Minto was from the same school of economics as the more famous economist with similar sounding name, who trashed Keynesian economics. I would, of course, be the one asking all the questions.

Hence this two-part paper about the pandemic and world economy in 2022, unlike those in the past, is entirely based on the thoughts of Minto and Cyrus the Virus, who insisted that I am taking too much credit for correct economic predictions in the past, by relegating him to a discussion only on Covid. I agreed because, I can't think straight because of Covid induced brain fog. I introduced Cyrus to my readers before the pandemic was first announced. It was discussions with Cyrus on the likely pandemic situation that set the tone for my 2020 economic predictions. It prompted me to write a two-part paper for the first time in over a decade. It was his insights which I used as the prism to understand how life and livelihood in 2020 would deviate from the expected trend. It was discussions with his progeny (also called Cyrus the Virus) that helped me get predictions for 2021 so right. He declared that Covid will continue to be the underlying basis for the 2022 report because all else, whether it be the economy, commodities, lifestyle, livelihood, money flows, interest rates, Stock market and even wars, etc., will depend up on the pandemic situation, He was hilarious, informative, sarcastic, and downright rude often.

Some economies have collapsed while some are recovering, millions of people have died (severe under-reporting), the rich have become richer, and the poor have become poorer, large business are doing pretty well but thousands of small ones have got wiped out, inflation has gone through the roof, supply chains have been disrupted, energy prices have shot up, international travel continues to be subdued whereas domestic travel has almost reached pre-covid levels, poor indebted countries are in serious trouble, interest rates are on the verge of going up, overall catch-up growth across the world is visible as also, a slowdown in China, interesting Arab-Jewish politics, Russia's gamesmanship, semiconductor chip shortage, vaccine passports, etc. China's shrewd moves to get the EU on its side continue but not with the desired results. All of this, was predicted accurately in my Report about 2021, barring an under-estimated but predicted energy price inflation.

The first meeting started with an understanding that he will give you, my readers, a good understanding of the 'what's and whys' about the Covid pandemic (covered in Part 1 of my Report) before diving into economic predictions (in Part 2 of the Report). Cyrus added a solemn statement that humankind had not yet seen it all - Omicron (super-spreader) for a start and potential variants thereafter. *Importantly, it was agreed, that the focus in Part 1 will be on aspects about the pandemic whilst in Part 2, some aspects of the economic prospects that are not widely known, even at the cost of ignoring some significant topics which my readers can access from other sources. The focus will be on when the threat of Covid will end and about the likely state of the economy which will impact livelihood in 2022.*



**Raj: Let's start with Cyrus on Omicron and on the pandemic in general before engaging with Minto Freeman. It is worrisome that even 2 years, we have not figured out how to effectively deal with Covid.**

Cyrus: Let me tell you about a few fundamental things before I jump onto Omicron. How can you chaps kill me when you are still arguing whether I have life or not. We know much more about humans than you know about viruses. You came arrived, hardly 0.3 million years ago, derived from complex descendants of a single cell species, whereas viruses and bacteria evolved from a common ancestor 3.4 billion years ago. Homo sapiens evolved into even more complex entities, bacteria into not-so-complex microorganisms but viruses evolved, instead, by simplifying ourselves till we felt the need for just an RNA/DNA enshrouded in a protein shield. Around 1.5 billion years ago, we developed 66 specific genes in our protein folds which gave us the ability to effectively enter host cells to reproduce. We then, shed our reproductive system (just needed to enter cells of plants, bacteria, fungi, or animals to procreate) whereas you adult humans are so obsessed with your reproductive system, that it is almost a past time. Almost a third of all internet searches are related to porn. Viruses have no such problem.

**Raj: Why do you harm us so much?**

Cyrus: That just shows how little you know. We have done less harm than good and have brought you to the current state of evolution. Check out with Caetano-Anolles who created the first microbial family tree; or just ask James Shapiro, a University of Chicago microbiologist. He believes that more than 100 million years ago a viral (Syncytin) infection in an ancient mammal (a predecessor of humans) uploaded a gene that helped the placenta evolve. This Syncytin virus fuses cells together in order to hop from one host cell to the next. In mammals, it fused placenta cells with the uterus, allowing the foetus to draw nutrients from its mother. There are several other ways we have helped you evolve. Just understand that we are not hell's angels out to destroy you or the animal kingdom or the plant or fungi kingdom or even bacteria. We know how to coexist, but you don't.

With truly little knowledge, you played God. You hastily embarked on a 'Gain of Function' project to make my immediate ancestors more powerful than they were, so that you can develop the means to destroy us before a pandemic hit you in the future. Rank stupid. You could have waited for decades and figured out a way to peacefully coexist with us like bats have. We are endemic in bats, who do, occasionally, have problems with us, but those are mild. Like some of you, have problems with influenza. But then you gave us additional powers and carelessly let us slip out of a low safety BSL grade 2 lab even before you could successfully conclude your experiments. Thus, a plain Covid, became Cyrus the Virus. He infected one host after another and multiplied rapidly, travelling across continents with helpful hosts. The rest is well documented.

**Raj: But why punish us like this? Millions have died.**

Cyrus: I did not kill, stupid. Let me explain, even at the risk of over-simplification. Your body's immune system had no idea about how to deal with the new powerful version of myself. Your immune system often went on overdrive during the early waves, after first, not noticing the threat and then, by over-estimating the threat, released a cytokine storm that damaged your vital organs like lungs, heart, kidneys, etc. Sometimes, humans died as a result. If Covid viruses evolved slowly, your autoimmune system would have found a

way to sort out things less aggressively. But given what you are doing to destroy us, we have no choice but to mutate to survive. Some mutations cause you more trouble than others. By and large, you are killing yourselves. That said, we do cause collateral damage to cells of many of your vital organs. Essentially, humans are smart by half. You did not learn enough from the Nipa Virus, SARS and MERS viruses which hopped from animals to humans. Instead of dealing with Corona viruses that existed, you created a more powerful corona virus, Covid19 to deal with imagined future challenges. Poor learners.

**Raj: Poor learners, ha! Have you any idea about our breakthroughs in multiple fields, including space exploration?**

Cyrus: I know about them, but humans have the head in the wrong place. Not interested in small things. There is a whole undiscovered and microscopic universe at your doorstep in the form of atoms and microbes, but you want to fly to the Mars, launch the James Webb telescope to look back at the creation of the Universe, etc.! You haven't solved problems on Earth yet, have set your sights on the big and magnificent. If you tell man that there is a Big Fella up in the sky guarding the Gates to Heaven which is managed by another Bigger Fella, you quickly believe and go down on your knees in worship. And if there is a 'Beware, Wet Paint' sign on a bench, you will want to touch it to confirm but little things which you cannot see, or touch are of no interest to most of you. For centuries, you were fascinated by planets in the sky, which you believe, may be good for you to explore. You couldn't see viruses without an electron microscope till 1930, so it did not matter for millennia. Too small to matter, eh?

Another thing is that most of you have leaders, don't believe in data despite all that talk about Big Data and analytics. The Chinese leaders hide and fudge data besides bullying the WHO. The leader of the US at the time, was intent on burying all evidence about me for months till he couldn't do that anymore. Half the people in the US, thinks that this pandemic is a money-making plot hatched in 2015 by Bill Gates while the other half, has a few people allegedly trying to cover up funding provided to China for 'Gain of Function' research. In the UK, the Premier is all mangled within, it's not just his hair. He denied any problem, till I put the fear of God in him by infecting him. Even today, his folks look at data, but he looks elsewhere, opens parks, pubs, and restaurants for socialising. He is quick to see only places like South Africa as problems. They are shutting down things in Europe in the week of Christmas- New Year; they are all in a flap over the rapid spread of my Omicron version which would have been logically named Xi but for objection from China. There seems to be some uncanny link between illogical actions and strong confident political leadership. Look at Brazil, Russia, India, Turkey, Iran, etc. Those who possess real data about me in those countries, don't seem to share it with their strong leaders for whatever reason. Just wait till January-February 2022 for more action by Omicron, and later about other mutations.

**Raj: The smirk on your face suggests that there is more to Omicron than what humans know. OK tell us about it.**

Cyrus: Omicron is my fiercest mutation in terms of ability to spread and infect. Once the global statistics come out a week after the new year celebrations without masks and social distancing, you will take us seriously. In January and early February, we are going to put unimaginable pressure on your health care system. Your hospitals are empty now, but they will overflow. What is worse is that you will not have enough HealthCare Workers

(HCW) to man some hospitals. I know that some cities have already activated their field hospitals, but we will be rendering your HCW hors de combat by rapidly infecting them. There will be beds and patients but not enough HCW to attend on them. Knocked out by Omicron.

Some stupid people have selective hearing. That Omicron is not high on fatality, does mean there will be fewer deaths. A smaller percentage of a large number of Omicron infected patients can still be a large absolute number. There is so much you fellows don't know about me despite there being data floating around.

Not all humans are stupid. There is a group of scientists in South Africa, working under the auspices of the South African Medical Research Council, who are actively studying my Omicron mutation by attempting to assess the clinical severity of individuals infected with Omicron, using the S Gene Target Failure (SGTF) technique. They tested 38283 patients and found that the share of SGTF infections increased from 3% in early October (week 39) to 98% in early December (week 48), almost wiping out Delta variant. They have been sharing their research findings from early December onwards but who amongst you have read them?

While Omicron causes far less fatality as a percentage of infected people, it can still land as many or more patients in hospitals than the Delta variant did because of the sheer numbers that Omicron infects. Most people don't understand this. A startling finding which has been mostly ignored by the Press is that among hospitalised Omicron patients, the odds of severe disease did not differ between Omicron-infected individuals compared to non-Omicron individuals. If you look at this in the context that hospitals are likely to be undermanned by HCW, the picture will not look pretty. Don't take my Omicron variant lightly. This will also add to huge business losses because some businesses that are limping may die and those who are on the path to recovery will have to wait a little longer. You can mitigate that partially by being health conscious.

South African studies have also shown that antibodies generated even by 2 doses of vaccinations are likely to be ineffective against Omicron infection though hospitalisation would be reduced. Further, even antibodies created in response to Delta infection are ineffective against Omicron. So, nobody is really protected. The good news for those who contracted Omicron infection is that the deadlier Delta variant which killed millions of people during the second wave is strongly fought by antibodies created by Omicron infection.

**Raj: You are confident that there is not much chance of us escaping you and your many descendants in 2022. Since a year is multiple lifetimes for viruses, why not share a secret or two about how we can come to terms with you or stop you from destroying humankind? After all, you want to coexist.**

Cyrus: My tribe does not want to destroy you, nor do other viruses want to.

We just need a host to reproduce. Without a host, we will die in less than 24 hours in most cases, though some viruses may remain alive for a week. Mask yourself well, keep social distance (we are smaller than the smallest bacteria, so we can get carried by air, for a long distance). BTW have you chaps considered doing 'Loss of Function' research now, like the deadly, 'Gain of Function' research that went wrong in 2019? I am told that sprays with some substance that incapacitates my tribe are coming soon. We will mutate to overcome

that threat too, but we may be less dangerous. But I do worry about my tribe that now a few Covid cure medications have been approved for emergency use which are suitable for mild to medium disease. The USFDA has approved Molnupavir from Merck for those 18 years and older and from Pfizer's Paxlovid for those 12 years and older; Paxlovid a combination of Nirmatrelvir and Ritonavir, in which the former prevents the virus from replicating and the latter slows down the breakdown of the Nirmatrelvir in the body so that it continues to function longer. These cures are not without many side effects.

Besides, unless humans do something stupid and if my next mutation after Omicron is also a fast spreader but mild, there is a chance that most of you, would have either got infected or vaxed in 2022. Eventually, my tribe and yours', could co-exist in an endemic disease state like you have been living with malaria, typhoid, TB, etc.

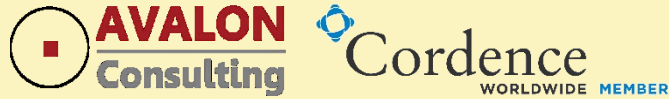
### **Raj: What stupid things can man still do?**

Cyrus: Don't forget that before you get there, tens of million people around the world will get infected in January 2022 because several stupid people will collaborate with me to create a big wave of infections.

Also stop thinking that half the humans have got at least one dose of vaccine. Only 7% of the people living outside developed countries have got only one jab. That creates a fertile ground for us to spread, mutate and create another crisis. New versions of vaccines can be much more effective than the earlier one. You can continue to be selfish at your own peril by diverting vaccines for booster doses in developed countries. Do a sensible trade-off between boosters in developed countries and vaccination in poor countries.

**Raj: I get the general drift. It is fair to conclude that though the Omicron variant may cause chaos and some havoc in the immediate term, there is a high chance that we are at the start of an endemic Covid and at the end of the pandemic. But there will be periodic spikes which we will learn to live with. The recently approved cures from Merck and Pfizer will help then. The caveat is that the developed world will have to make that extra effort to vaccinate the severely under vaccinated countries. That calls for globally funded aid programs in enlightened self-interest of donor nations.**





[www.consultavalon.com](http://www.consultavalon.com)  
[www.apex-avalon.sg](http://www.apex-avalon.sg)

## Contact

Raj Nair,

[raj.nair@consultavalon.com](mailto:raj.nair@consultavalon.com)

+91 9821447774

### MUMBAI

[mumbai@consultavalon.com](mailto:mumbai@consultavalon.com)

Ph: +91 022 4279 2600

### DELHI

[delhi@consultavalon.com](mailto:delhi@consultavalon.com)

Ph: +91 742 862 4664

### CHENNAI

[chennai@consultavalon.com](mailto:chennai@consultavalon.com)

Ph: +91 730 515 2869 / 730 518 9261

### SINGAPORE

[admin@apex-avalon.sg](mailto:admin@apex-avalon.sg)

Ph: +65 3138 2042

### BANGALORE

[bangalore@consultavalon.com](mailto:bangalore@consultavalon.com)

Ph: +91 988 634 8187

