

MACRO: Policy responses to Covid-19

Below is our weekly summary table on the health and economic policies that selected governments around the world are implementing to counter the fallout from Covid-19. The updated table includes information about each country's vaccination strategy. Please do not hesitate to contact us if you want to discuss any of the countries mentioned in more detail.

Please click on 'View PDF' below to see the table.

[Client Portal >>](#)

Overview of health and economic policy responses to Covid-19

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
United States	As US caseloads continue to surge, individual states continue to impose new restrictions.	Deployment of both the Pfizer and Moderna vaccines has begun, but the roll out has been shaky. President Biden plans to expand eligibility.	A USD 908bn package was described as a “down payment,” and lawmakers will seek additional stimulus under the new administration.	Medium – Most states have health system capacity, but tracing and testing is shaky. Vaccination has fallen behind targets. Reopening remains political.	Medium – Democrats have narrow majorities in the House and Senate, potentially limiting landmark legislation.	The Biden administration’s USD 1.9tn American Rescue Plan is unlikely to be contemplated by Congress until March.
European Union	Additional testing requirements and even travel restrictions inside the passport-free Schengen zone are being introduced.	Commission procures vaccines and distributes to member states on a per capita basis. Member states in charge of rollout.	EUR 500bn, mostly promises of loans from ESM rescue fund, guarantees and support for short-term work schemes, ECB bond-buying.	Medium – Capacities vary across member states which remain firmly in charge; joint vaccine procurement receiving heavy criticism.	Medium – Different positions persist, but overall approach to crisis response is more proactive than after the 2008 financial crisis.	National recovery plans must be submitted to Brussels by 30 April 2021.
China	New lockdowns imposed in Hebei province in early January, after China’s largest outbreak in several months.	Authorities plan to vaccinate 50mn people by mid-February. Chinese producers have agreements to supply 15 countries and regions.	Central bank said it intends to gradually roll back pandemic-related stimulus measures. Precise timeline is unclear.	High – Protocols in place to reimpose lockdown quickly and conduct mass testing.	High – Critics of early failures in Wuhan have been largely silenced, and the public views China’s response favorably compared to US and Europe.	Partial easing of inbound travel restrictions, but new visas for short-term business travelers, tourists and students are not being issued.
Japan	State of emergency in greater Tokyo region, greater Osaka region and Fukuoka. Restrictions more modest than before: schools opened, businesses requested to reduce hours, work from home encouraged.	Agreements for doses for 145mn people but distribution not expected (starting with medical professionals) until late Feb, once the Pfizer-BioNTech vaccine is approved. Approvals for other vaccines could take longer.	Diet passed third FY20 supplemental budget (JPY 19.2tn), the first part of a JPY in late January. It extends employment security, business support, and dining out subsidies (travel subsidies suspended).	Medium – Strained hospital and ICU capacity, limited cluster identification and contact tracing. Central government does not have capacity to impose strict lockdowns but pending legislative change could enable fines and incentives to drive compliance.	Medium – Prime Minister’s approval ratings fallen sharply and disapproval of the government’s handling of the pandemic is at its highest. Public opinion and local government pressure are pushing the national government to take more action.	Diet will pass legislation to strengthen state of emergency declarations this week, could bring new powers in force by mid-Feb. State of emergency to be extended in 10 prefectures by one month, to 7 March.
Germany	Nationwide lockdown has been extended until mid-February.	Attempts to speed up vaccinations after regulatory clearance has been received for second vaccine.	Over EUR 350bn in fiscal measures and EUR 800bn+ in guarantees: tax delays, short-time work and payments to businesses.	Medium – Slow speed of vaccine rollout has raised questions.	Medium – Grand coalition government, but some political competition in the decentralized political system.	Travel restrictions towards neighboring countries have been introduced.
Canada	All Canadians returning from abroad must submit to mandatory COVID-19 tests and stay in government approved hotels for up to 3 days, at their own expense.	Pfizer’s delay of BioNTech vaccine deliveries will be longer than expected. Canada will receive 56% less vaccines than expected over the next month.	Latest fiscal monitoring report showed a CAD 15.4bn deficit in November 2020, compared to a CAD 2.7mn deficit in November 2019.	Medium – ICU capacity is expected to increase over Feb as cases drop from over 300 to 150-300 in some provinces. Vaccine delays will impact provincial immunization strategies.	Medium – With the rumor of Spring elections still in the air, political parties are already beginning to trade electoral level jobs and present teases of their platforms.	Canada’s total death toll surpasses 20,000 this weekend, with fear of increasingly grim milestones being passed if vaccine rollout continues to be stunted.

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
India	Reduction in daily cases. Many restrictions lifted but social distancing and use of masks continue to be in place.	2 domestic vaccines being administered to health workers, police and defense personnel in the first round of around 30mn vaccinations.	Total virus relief at almost INR 30tn (USD 402bn), or 15% of GDP. Largely aimed at tourism, construction, and small business.	Medium – Extensive vaccination planning. But unclear when vaccine will reach everyone. Vaccine may be made available over the counter; 4 more vaccines underway.	Medium – State governments largely support the federal regime. But criticism continues over low-income support. Experts concerned with insufficient vaccine testing.	A decision on opening international flights still pending. Government says half of India will be vaccinated by September 2021.
United Kingdom	Third national lockdown in England began on 5 January and could last through mid-February.	The number of vaccinations conducted in the UK vastly outperforms the effort in the neighboring EU.	~GBP 300bn. Companies now paying more for the furlough scheme. Plans to extend the scheme locally past October.	Medium – Questions around testing and tracing, and around the cost of support measures; however, vaccination record is very positive.	Medium – Government has large majority, but political contestation over government's crisis response.	Hotel quarantines Norway have been introduced for travelers from certain countries, including Brazil and South Africa.
France	6pm-6am nationwide curfew currently in place. Travelers from EU countries need a negative PCR test to enter France.	Vaccines supplied by EU joint purchases. ~55 % of doses administered. Govt considering allowing pharmacies to administer AstraZeneca vaccine.	Short-term employment scheme extended; long-term furlough scheme for specific firms. Up to EUR 10,000/month to cover losses.	Medium/High – Hospitals have been able to cope with the high number of patients in ICUs.	Medium – Scientists have criticized President Macron's decision not to impose a third lockdown.	An extraordinary meeting of the cabinet will take place on 3 Feb to consider whether further restrictions are needed.
Italy	Restrictions in most regions were eased on 1 Feb, despite warnings from public health experts that rules should be tightened, and concern about the accuracy of some data.	The special commissioner for the Covid-19 emergency, said on 28 Jan that Italy has received around 300k fewer doses of the vaccine than it should have had by now.	Industry lobby group Confindustria has criticized the government's recovery plan for lacking crucial reforms and details on governance. The plan must be submitted to the EU to secure aid.	Low – A national tiered system, with rules changing weekly based on the level of contagion risk, is in place. All but five regions are "yellow", with less stringent rules and restrictions.	Low – Opposition parties insist that early elections should be called amid attempts by the outgoing coalition parties to create a new majority needed to form a new government.	Speaker of the Chamber of Deputies Roberto Fico is tasked with finding a way out of the government crisis, must report to President Mattarella by 2 Feb.
Brazil	State and municipalities planning to cancel Carnival holidays to avoid crowds and parties amid the continuous increase of Covid-19 cases.	Brazil to receive 10 to 14 million doses of the AZ vaccine from mid-February through the WHO global alliance Covax Facility. 2.1 mn people have already been vaccinated.	Government may push for temporary tax to pay for reinstatement of emergency assistance. New permanent taxes opposed by Congress.	Medium – Most hospitals above 85% occupancy; field hospitals being reactivated; logistical difficulties in distributing vaccines. Oxygen scarcity in Northern states still out of control.	Medium – New leadership in congress less amenable to impeachment unless conditions deteriorate for the president.	Pro-government candidates won leadership of both chambers of Congress. Alignment with the government not automatic but impeachment less likely.
Russia	Gradual reopening. In-person teaching to resume at federal universities on 8 Feb. Most businesses are allowed to operate under sanitary regime. Flights to Greece and Singapore reopen on 8 Feb.	Relying on domestic Sputnik V and EpiVac vaccines. There are efforts to boost domestic production of vaccines to speed up immunization. Around 2mn vaccinated as of 29 Jan.	Interest rates on preferential loans to small businesses lowered to 7% as of 1 Jan. Preferential mortgages valid until 1 Jul. Inspections of small businesses suspended until 31 Dec 2021.	Medium – Significant testing and vaccine capacity. Varying healthcare capacity outside key cities. High levels of vaccine skepticism. Low transparency of vaccination campaign.	Medium – Some tensions between federal and regional administrations, which are responsible for restrictions and vaccination.	Third domestically developed vaccine to be registered in mid-Feb. Government targets 20mn vaccinated by the end of Q1.

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
South Korea	Stricter social distancing measures remain in greater Seoul region. National government has introduced enhanced measures elsewhere.	Agreements for doses for 10mn people from each AstraZeneca and Pfizer, 20mn from Moderna, 6mn from Janssen and potential 10mn from COVAX. But criticism for lack of detailed roll out plan. Vaccine will be provided free of charge to all.	4 th supplemental budget with ~KRW 7.8tn in emergency relief programs for households, small businesses. FY2021 budget will include emergency relief.	High – Winter case surge strained intensive care capacity in the Seoul region, but situation has improved as social distancing guidelines have contained the outbreak. Capacity to test, trace, and isolate remains intact.	Medium – Centralized state and ruling party supermajority have enabled government to impose health measures and provide economic relief. Government has faced opposition to social distancing from churches and small businesses.	Caseloads have declined sharply but social distancing guidelines extended through 15 February, as authorities hope to limit emergence of new clusters during Lunar New Year.
Spain	Central government refuses to impose tougher measures despite rising cases, letting pandemic management in the hands of regions.	Vaccines supplied by EU joint purchases initiative. National strategy but regions lead rollout. ~85% of the current doses administered. Supply constraints remain an issue.	Short-term employment scheme covering ~3mn workers has been extended to 31 Jan. Extension to 31 May recently approved.	Medium – Some regions' health systems are under strain. Most regions have significantly ramped up vaccine delivery.	Medium/Low – Coordination between central government and regions continues to delay decisions to counter case surge.	A lifting of the restrictions currently in place in most regions remains unlikely in the coming days.
Australia	Perth in 5-day lockdown after hotel quarantine guard tests positive; VIC, SA & QLD ease NSW border restrictions; Au suspends quarantine-free travel with NZ for 6 days.	Europe gives itself power to block Australia vaccine shipments; PM shares more detail on A\$1.9B vaccine rollout - says all will have the chance to be vaccinated by October & flags GPs & pharmacies to be vaccine sites.	PM says no plans to extend JobSeeker increase & JobKeeper program due to end in March; gov to provide "targeted" support to hard-hit industries.	Medium - WA testing clinics face long lines & delays after earlier concerns about surge testing capabilities; biotech company CSL says it is ahead of schedule for Au production of Oxford/Astrazeneca.	Medium – ongoing debate about border restrictions, including criticism of QLD Premier's calls for tourism industry support after maintaining long-term interstate border closures.	Increased JobSeeker wage subsidy, JobKeeper, & mortgage holiday program set to end in March.
Mexico	Traffic light system is controversial and arguably discredited after delay in recognizing "second wave" of cases. Official messaging has often been muddled and contradictory.	Contracts with Pfizer (34mn doses by end-2021); AstraZeneca (77.4mn doses); CanSino (up to 35mn doses); Sputnik V (24mn doses); and COVAX. Vaccinations have started slowly and timetable looks unrealistic.	Limited fiscal measures at no more than 1.2% of GDP. Measures include advancing pension payments; credits for micro- and small enterprises; and government austerity.	Low – Chaotic healthcare system reform was in process pre-pandemic; lacking PPE, limited testing capacities; government believes wide-ranging testing is unnecessary.	Low – Divisions between opposition state governors and central government; relations between President and the private sector and media remain antagonistic.	Cases continue to rise with many medical resources severely stretched. Ambitious target of vaccinating the entire over 60 population (~12mn) by end Mar.
Indonesia	Government has re-imposed restrictions across Java and Bali islands through 8 February. Rising deaths and cases may lead to tighter Jakarta restrictions.	Vaccination of the first 1.3mn targeted recipients (healthcare workers) started 13 January. Wider rollout will face logistical, social challenges.	~4.8% of GDP, for healthcare, social welfare, support for MSMEs, and bailouts of SOEs. 2020 deficit target raised to 6.34% of GDP from 5.07%.	Low – Testing capacity still low and highly uneven as seen in high positivity rates.	Medium – Government has broad support for most of its pandemic economic and health policies, but labor is unhappy with some reforms.	Restrictions adjusted based on public and government perceptions of the risk and where the cases are concentrated.
Saudi Arabia	International travel was temporarily halted in late December to keep out the highly contagious variant of the virus. Overall, infection rates are declining sharply.	The country has committed to providing a variety of vaccines free of charge to citizens and residents and has begun registration.	The government has committed USD 61bn in economic relief, mainly targeted to the private sector.	Medium – MERS spurred investments. General institutional capacity is mixed; expatriate population live in close quarters. Shutdown was vigorously enforced.	High – The government has aggressively suppressed dissident voices, and there is little opposition to its actions.	The Kingdom has had more than 350,000 infections, but new cases are approximately 100 per day and falling, suggesting successful management.

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
Turkey	Weeknight curfews and weekend lockdowns still in effect. Measures tightened after the emergence of new variant. No sign of restrictions lifting in coming weeks.	Turkey has received 10mn doses of the vaccine from China. Turkey has signed a deal with Sinovac to buy 50mn doses. So far, 2.1mn people have received their first dose.	President Erdogan is expected to announce economic and judicial reforms in Feb. Government pledged in Nov to restart reforms after a shake-up of the economic team.	Low – The rolling 7-day average of new daily cases is ~6,800, slightly up from last week. Concerns remain over the accuracy of the official data.	Medium – The opposition claims that the vaccination strategy is deeply flawed as it is largely dependent on the Sinovac vaccine.	Govt has embarked on a charm offensive toward the Western world, but US decision-makers are questioning the state of their “strategic partnership”
Thailand	Color-coded scheme in effect with graduated restrictions depending upon the severity of the local outbreak. Cases remain high in a central province.	Vaccine program is expected to start 14 February with the Sinovac vaccine, but a local AstraZeneca JV is expected to provide the bulk of the eventual supplies.	Tourism remains a major concern. A new USD 7bn cash handout was approved for 31 million recipients. Rules for SME loans may also be eased.	Medium – Capacity for testing has improved but border controls are concern as returning Thais from neighboring countries appear to be the source of local outbreaks.	Medium – Policy is accepted but government seen as ineffective in other areas such as economy, as a result there may be more focus on growth.	Concerns about sustained community transmission but authorities willing to hold off national restrictions unless there are super spreader events.
Sweden	New lockdown law enables government to impose restrictions akin to other European countries.	The goal is to restore confidence by vaccinating the entire adult population in time for the 26 June Midsummer holiday.	SEK 812bn in measures, incl. tax deferrals, wage subsidies, credit guarantees; SEK 500bn in business loans	Medium – High but initial no-lockdown strategy was especially problematic in care homes.	High – Minority government with broad parliamentary support.	New immigration bans on Norwegian citizens after an outbreak of the UK virus variant around Oslo.
Nigeria	Current stage 3 last renewed on 19 Oct; reviewed periodically. Surge in infections since December has so far not triggered a major review.	Inoculate 40% of the population this year, 70% by end-2022. 20% of the vaccines acquired through COVAX. First Pfizer-BioNTech 100,000 doses expected this month. Healthcare workers, the vulnerable and elderly prioritized.	Moratorium on government loans. Small credit facilities to support households and SMEs (NGN 50bn) and healthcare (NGN 100bn).	Low – The government’s public health and economic response capacity remain both very weak.	Medium – Gradual reopening softens economic grievances but could be challenged by rising caseloads. Risk of vaccination roll-out hampered by mistrust of state institutions, esp. in the majority Muslim north.	Oil production, GDP and trade figures; response from WB and AfDB to request for USD 3.5bn in financing.
Argentina	Rising caseload since late-December has prompted new government recommendation for night-time curfews amid other restrictions, including new tighter border rules.	Sputnik V vaccine rollout started on 29 Dec to cover 12mn though deliveries behind schedule. Sinopharm contract’s (30mn people) arrival date uncertain. AstraZeneca (22mn doses) expected in late-March.	~1.9% of GDP, includes direct cash transfers; freezing of utility tariffs; and lowering of bank loan requirements.	Low – Health system has managed to avoid collapse. Human contact tracing program and contact tracing app are positive but not widely operational. Testing rates remain low.	Medium – Presidential authority boosted by early action but criticism of slow lifting of restrictions and economic impacts. Occasional tensions between Buenos Aires and provincial authorities.	Doubts over safety of Sputnik V vaccine, especially in over 60s, could generate hesitancy. Public appetite to adhere to strict restrictions diminished.
South Africa	Lockdown “Level 3” eased slightly, to shortened night-time curfew, limited gatherings and limited alcohol sales.	Plans to vaccinate 40mn people in 2021 but procurement slow. 40mn doses reportedly in pipeline.	No fiscal room for fresh stimulus beyond 2020 ZAR 500bn package given fiscal crisis.	Medium – A second wave has peaked, slightly easing strain on public and private health services.	Medium –The handling of vaccine procurement and distribution are fueling divisions.	Speed and efficacy of vaccine procurement and rollout.

For further information, please contact Teneo’s Political Risk Unit at antonio.barroso@teneo.com

© 2021 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any particular commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo.