

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.

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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	Nationwide case numbers are slowing, and some states have begun to roll back restrictions. Masks are still required in all federal locations.	81.4mn Americans have received at least one dose of the vaccine and 44.1mn people are fully vaccinated. Daily vaccinations are averaging ~2.4mn.	President Biden signed the USD 1.9tn American Rescue Plan into law.	Medium – Most states have health system capacity, but tracing and testing is shaky. Reopening remains political.	Medium – Democrats have narrow majorities in the House and Senate, potentially limiting landmark legislation.	Lawmakers successfully passed the American Rescue Plan with no Republican support.
European Union	Testing requirements and travel restrictions inside Schengen zone; Commission to propose digital vaccination passport.	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 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.
China	Recent outbreak in northern China province is now under control, and lockdown measures have been eased in most regions.	5.3% of population vaccinated by March 22. Goal to reach 40% by end-June and 64% by end-2021. "Vaccine diplomacy" prioritized over domestic supply.	Economic policymakers will gradually roll back special, pandemic-related stimulus measures and tighten monetary and fiscal policies in 2021.	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 lifted in greater Tokyo on 21 March. Restrictions remain fairly modest: schools opened, businesses requested to reduce hours, work from home encouraged.	Agreements for doses for 145mn people. Administration to healthcare workers began in late Feb. Pfizer vaccine approved, AstraZeneca approval pending.	Diet passed third FY20 supplemental budget (JPY 19.2tn), 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. New Covid legislation enables fines and incentives to drive compliance with restrictions.	Medium – National government is under pressure to take more action as approval ratings have fallen and disapproval of the government's handling of the pandemic is high.	Government will continue to monitor case load and hospital utilization rates.
Germany	Phasing-out of restrictions on hold again, tougher rules depending on local incidence rates of 100 per 100,000.	As in many other European countries, vaccinations with the AstraZeneca vaccine have been put on hold.	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	Some hot-spot case rates continue to rise as provinces lift restrictions. Quebec is experiencing a downward trend with daily deaths fewer than a dozen.	Vaccination efforts are expected to take off as the largest shipment of doses since the beginning of the immunization campaign arrives this week.	Following last week's increases in job numbers, provinces and the federal government have continued to announce large scale direct investments into local companies.	High – Hospitalizations rose 2% and ICU beds filled rose 4% but daily death tallies continue to subside.	High – Canada's federal New Democrats are tabling a motion to call for the elimination of for-profit long-term care by 2030.	The daily case count rose by 5% for a total of 23,585 new cases, while Quebec, is seeing record low numbers of daily cases and deaths.

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India	As infections rise, new restrictions are in place in many states, including curfews, restricted entry in malls and markets and election campaigns. The second phase of vaccinations (those above 45) is picking up pace.	The latest information suggests supply of vaccines might be a problem: the government has ordered a longer time period between the two-jab course for the domestically produced Covishield. 4 more local vaccines underway.	Almost INR 30tn (USD 402bn), or 15% of GDP. Largely aimed at tourism, construction, and small business. A big privatization exercise underway, with airports expected to be opened for investment any day.	Medium – Extensive vaccination planning. But full timeline unclear. Vaccine may be made available over the counter. Charges for vaccination capped at INR 350 (USD 5) per dose. In state-run hospitals, it is free.	Medium – State governments largely support the federal regime. But criticism continues over low-income support. Concern with insufficient testing.	A decision on opening international flights still pending. Government says half the population will be vaccinated by September.
United Kingdom	Exit from English lockdown envisaged in several stages, until late June.	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.	The next reopening stage will emerge in mid-April when non-essential shops will be allowed to reopen.
France	Government has imposed new restrictions in 16 regions, including Paris.	Vaccines supplied by EU joint purchases. Government is about to open large vaccination centers supported by the army. Over-70 to be vaccinated from 27 March.	Short-term employment scheme extended, long-term furlough scheme for specific firms. Up to EUR 10,000/month to cover losses. Profit participation loans launched on 4 March.	Medium/High – Hospitals have been able to cope with the high number of patients in ICUs, but several regions are nearing capacity.	Medium – Public resistance against restrictions are on the rise, with 62% of French against reimposition of measures such as nationwide curfews according to an opinion poll.	The government is unlikely to introduce further restrictions in the coming days.
Italy	Most of the country returned to lockdown on 15 March after a surge in cases. Curbs on economic activity and freedom of movement have also been toughened until 6 April.	The vaccination campaign is still struggling to take off with forecasts of a plateau at around 200,000 jabs a day again this week. The short supply of doses and the poor administration by some regions are the two main problems.	New stimulus measures worth EUR 32bn. Around EUR 11bn will aid firms that lost at least 30% of their revenues in 2020. EUR 8bn to fight poverty and measures to support employment. A freeze on layoffs extended to 30 June.	Medium – With new cases running at over 22,000 a day, hospitals are once again feeling the pressure. Experts have warned that the contagion curve shows the start of the third wave.	Medium – The first significant protests against the Draghi government that took office last month were held in over 35 towns on 21 March against the “unnecessary” closure of schools to try to curb infections.	Fresh lockdown measures have further darkened the national mood. This mood of grim resignation has been made worse by troubles with the sluggish vaccination program.
Brazil	New record on 21 March with weekly variable death average at 2,255; Curfew and tight isolation restrictions already adopted by 17 federative units, including Brasilia.	Health Ministry instructed states to apply all vaccines as a first dose; no 50% reserve for second dose. 5.43% of population immunized so far (11m).	Emergency aid approved, now focus is on economic measures such as cuts in working days and salaries and refinancing of debts.	Low – 16 federative units (out of 27) at above 90% ICU occupancy; 3 states above 100%, only 2 states below 80%.	Medium – allies in Congress turning against the president for his bad choice of new health minister and for filing case in Supreme Court against state-level curfews.	Society mobilizing for responsible handling of the pandemic (business entities, economists). New pact across branches may isolate Bolsonaro.
Russia	Gradual reopening continues across regions. Majority of businesses and public services are functioning under sanitary regime.	Relying on domestic vaccines, mostly Sputnik V. Aim to vaccinate 69mn residents. As of 22 Mar, 6.3mn (4.3% of population) residents received at least one jab and 4.3mn (2.9% of population) were fully vaccinated.	A preferential lending scheme for the most-affected sectors valid until 1 July. A RUB 2bn tourist cashback scheme renewed in March. New employment subsidy and vocational training schemes launched in March.	Medium – Varying healthcare capacity across the country. High levels of vaccine skepticism. Low transparency of vaccination campaign. Limited production of vaccines.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccination.	Export-oriented Sputnik Light vaccine likely to be approved within weeks. President Vladimir Putin to receive his first jab on 23 Mar.

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South Korea	Greater Seoul region remains at third-highest level of social distancing, rest of country as fourth-highest level. Private gatherings larger than 5 are prohibited.	Agreements for doses for 10mn people from Pfizer and AstraZeneca, 20mn from Moderna, 6mn from Janssen and maybe 10mn from COVAX. Vaccine free for all.	The Moon administration has submitted a KRW 15tn (USD 13.2bn) extra budget to the National Assembly, focused mainly on small business relief and public health spending.	High – Winter 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, isolate remains intact.	Medium – Ruling party supermajority and centralized state enabled government to impose health measures and pass economic relief. But churches and small businesses lead opposition to social distancing.	The government renewed greater Seoul distancing measures on 12 March for at least another two weeks. Elevated numbers of cluster infections suggest that guidelines will remain unchanged.
Spain	Regional governments still in control of the pandemic. Most regional borders will remain closed during the Easter break (1-4 April).	Vaccines supplied through EU initiative. National strategy but regions lead roll-out. Goal to immunize 70% of population by summer's end.	Short-term employment scheme covering ~3mn workers extended to 31 May. Additional EUR 10bn package to support SMEs and the self-employed recently approved.	Medium – Cases on the rise in ten regions. Pressure on hospital has decreased but still high in some regions.	Medium/Low – Lack of coordination between central government/regions and intra-government tensions, but coalition likely to remain together.	The regional parliament of Catalonia will hold a first vote to elect a new regional prime minister on 26 March.
Australia	Highly contagious variants emerge in Sydney hotel quarantine system; Australia sending vaccines & PPE to Papua New Guinea as surging infections threaten to spread to northern Australia.	Rollout still behind schedule; phase 1b begins, focused on vulnerable populations; Therapeutic Goods Association approves AstraZeneca despite anaphylactic responses in QLD.	Credit relief for small businesses introduced; federal government announces support for travel agents; NSW restaurant voucher scheme expanded.	High – GPs to offer injections within the month; some deliveries to NSW GPs delayed by extreme weather.	Medium – Treasurer warns states should reconsider border closures amid tapering stimulus; NSW calls for more doses to meet vaccine targets.	New Zealand to announce start date for two-way travel bubble on 6 April.
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); AstraZeneca (77.4mn doses); CanSino (up to 35mn doses); Sputnik V (24mn doses); Sinovac (10mn doses); Sinopharm (12mn doses); and COVAX. Vaccinations gaining pace after slow start.	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.	Health authorities are concerned about a post-Easter surge. Target to vaccinate all over 60s (~15mn) by end-Apr still looks overly ambitious despite increasing rate so far in Mar. As of 20 Mar, 5.5mn doses administered.
Indonesia	The government has shifted from provincial-level restrictions to micro-level measures at the neighborhood level.	The government is in the second phase of its vaccine rollout, which will include active adults, in addition to frontliners and the elderly, to hasten the economic recovery.	~4.8% of GDP, for healthcare, social welfare, support for MSMEs, bailouts of SOEs. Reforms rolled out to attract investment and new sovereign wealth fund launch this year.	Low – Testing capacity is still uneven but has been improving.	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 risk and where cases are concentrated.
Saudi Arabia	Infections have spiked in recent weeks, prompting the country to close restaurants, bar gatherings, and ban travel from 20 countries. Some internal travel also stopped.	Vaccinations began in Dec, rollout slowed after <2% of the population was vaccinated. Government has secured an unknown number of doses of SputnikV and Pfizer-BioNTech (the only approved vaccine).	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 382,000 infections, and new daily case numbers have begun to increase once more.

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Turkey	The easing of restrictions started on 1 March. Weekend lockdowns were lifted, and restaurants served clients in low- and medium-risk provinces.	With a population of 83mn, about 13mn vaccine doses administered in a campaign that began in mid-Jan. 8mn people have received a first shot and 5mn a second dose. Vaccine supply remains an issue.	The Turkish Lira depreciated by 9% on 22 March due to the sudden sacking of the Central Bank Governor N. Agbal. The country's macroeconomic imbalances are now set to worsen, raising the risk of a financial crisis.	Low – Turkey began easing restrictions against the pandemic on a province-by-province basis in early March, at a time when the nationwide daily infection rate was below 10,000. The daily rate is now above 20,000.	Medium – The chief prosecutor filed a lawsuit with the Constitutional Court seeking to officially shutter the pro-Kurdish Peoples' Democratic Party (HDP) entirely. The move will increase polarization.	Turkey has thus far secured 15mn doses of vaccine, far short of the repeated targets set by the authorities in recent months. A planned delivery from China of 50mn doses this month is delayed.
Thailand	Color-coded scheme in effect with graduated restrictions depending upon the severity of the local outbreak. Cases declining from central province.	Vaccine program has started with the Sinovac vaccine. AstraZeneca vaccine administration is resuming. Country is heavily dependent on AstraZeneca, but will import Sinovac.	Tourism remains a major concern. An asset warehousing plan to help heavily indebted tourism enterprises may be formally unveiled in the next few weeks.	Medium – Capacity for testing has improved but border controls are concern as returning Thais from neighboring countries appear to be the source of 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.	Case numbers have declined after a January spike, and there is pressure on the government to signal tourism openings by October.
Sweden	Immunization passport is being envisaged for when vaccine rollout gathers pace.	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, SEK 300bn bond buying.	Medium – Institutional capacity generally high but initial no-lockdown strategy was especially problematic in care homes.	High – Minority government with broad parliamentary support.	Tightened pandemic rules have triggered protests against the government.
Nigeria	Current stage 3 of the 'eased lockdown' introduced in Sep 2020, last renewed on 26 Jan; reviewed periodically. Surge in infections between December and February did not trigger a review.	Inoculate 40% of the population in 2021, 70% by end-2022. Government expects 58mn vaccine doses from COVAX (16mn) and the African Vaccine Acquisition Task Team (AVATT, 42mn). Government interest in procuring Sputnik V and Chinese vaccines.	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. Vaccination roll-out could be hampered by mistrust of state institutions, particularly 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	Strict and lengthy lockdown failed to avoid spread of virus. Cautious easing of restrictions reflects public fatigue and economic pressures as much as epidemiological rationale.	Sputnik V and Sinopharm vaccine roll out underway to cover 12mn people but deliveries are behind schedule. As of 22 Mar, 3.14mn doses have been administered. 23.6mn AstraZeneca doses on order; deliveries started late-Feb but not at volumes that the government expected.	~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 eroded by slow lifting of restrictions, economic impacts, and scandal over government insiders receiving early vaccines. Occasional tensions between Buenos Aires and provincial authorities.	Slower-than-expected vaccine deliveries a continuing challenge amid rising caseload at onset of autumn season. Government credibility and public confidence in vaccine program shaken by scandal over government insiders receiving preferential access to vaccines.

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South Africa	Lockdown eased to Level 1 on 28 February, maintaining limited night-time curfew, and limits on gatherings.	Plans to vaccinate 40mn people in 2021 but delays likely. 43mn doses in pipeline. Use of AZ vaccine suspended; limited, trial-based rollout of J&J vaccine started 18 Feb.	24 Feb budget targets vaccine spending, infrastructure, tax relief and limited Covid-19 social grants, but ballooning debt is forcing fiscal consolidation.	Medium – Passing of second wave eased strain on public and private health services, but third wave expected towards South African winter.	Medium – The handling of PPE and vaccine procurement and distribution are stoking controversy.	Speed of vaccine procurement and rollout as third wave expected. Vaccine efficacy against B.1.351/501Y.V2 variant.

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