

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 required in all federal locations.	93.6mn Americans have received at least one dose of the vaccine and 51.6mn are fully vaccinated. Daily vaccinations are averaging ~2.7mn.	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	Travel restrictions and testing requirements 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.	5.5% of population vaccinated by 25 Mar. Goal to reach 40% by end-June and 64% by end-2021. Vaccine diplomacy prioritized over domestic plan.	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 no new visas for short-term business travelers, tourists and students.
Japan	State of emergency lifted in greater Tokyo on 21 March. Schools opened, businesses asked to reduce hours, work from home encouraged.	Agreements for doses for 145mn people. Roll out for healthcare workers began in late Feb. Pfizer vaccine approved, AstraZeneca approval pending.	Third FY20 supplemental budget (JPY 19.2tn) passed in late Jan; extends employment security, business support, and dining out subsidies.	Medium – Strained hospital and ICU capacity, limited cluster 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 disapproval of the government's handling of the pandemic is high.	Government will continue to monitor case load and hospital utilization rates.
Germany	Debate about another circuit-breaker lockdown, perhaps to be imposed under federal law.	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	Public Health Agency has called for tighter measures and a slowing down of reopenings as a third wave.	Provinces continue to ramp up vaccination, with many having administered one dose to over 10% of their population as of this week.	Ontario and Quebec presented their budgets this week. With both announcing major investments in healthcare and infrastructure.	Medium – While Ontario declared a third wave of infections, Quebec remains stable however and leads the country in vaccines administered.	Medium – Federal opposition parties prepare for elections while the Minority Liberal government announces it will present its first budget since 2019 in mid-April.	Provinces seek to have their entire populations receive their first dose by the end of June.

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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.	Vaccine supply 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.	~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	Six people from two households can now meet in England, and outdoor sports facilities have reopened.	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 19 departments (out of 101), including in Ile-de-France (Paris).	Vaccines supplied by EU joint purchases. Government is about to open large vaccination centers supported by the army and the fire service.	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 – Certain regions are nearing ICU capacity; doctors in Paris region have warned they might have to start turning patients away.	Medium – 58% believe Macron was wrong not to introduce a stricter lockdown in January. Public trust in the government's ability to manage the pandemic has collapsed (33%).	President Macron has signaled the govt would wait to see the effect of existing measures before imposing new ones.
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 230,000 jabs a day. Italy will fail to meet an EU target of vaccinating 80% of citizens aged over 80 by the end of March, a leading health institute said.	Rome expects Italy's economy to grow by 4.1% this year and 4.3% in 2022. The 2021 forecast is a steep downward revision from the 6% growth suggested by the previous government, while the 2022 projection is above the earlier target of 3.8%.	Medium – With new cases running at just below 20,000 a day, hospitals are once again feeling the pressure.	Medium – Schools up to the first year of middle school are set to reopen after Easter even in high-contagion red zones. Most schools in Italy, from kindergartens to high school, have been closed since 15 March.	Prime Minister Draghi is considering action against healthcare workers who refuse to be vaccinated. The government is preparing a decree, but the details have not been determined.
Brazil	New record on 28 March with weekly variable death average at 2,548; local curfew and tight isolation restrictions but no federal lockdown envisaged.	Federal government to distribute 11mn doses of vaccines (Coronavac and AZ) from 28 March to 2 April. Distribution to states proportionate to population.	Economy minister now calls for proceeds from privatization to pay for new <i>Bolsa Familia</i> and further emergency assistance.	Low – Public Health System occupation still above 90% in 14 states, and at 100% in 3. Lack of oxygen and medicines reaching chronic levels.	Medium – President installed a Covid-19 National Committee in partnership with Congress but continues to be against lockdowns and in favor of preventive medicine.	The Foreign Relations Minister, blamed for debacle in vaccine and active ingredient purchases, resigned. His replacement may not change much.
Russia	Gradual reopening continues across regions. Majority of businesses and public services are functioning under sanitary regime. Flights renewed to Germany and five other countries on 1 Apr.	Three approved domestic vaccines: Sputnik V, EpiVac, CoviVac. 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. Central bank gradually phasing out its support for creditors.	Medium – Varying healthcare capacity across the country. Extensive 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.	Covid-19 spreading among elderly in Moscow. Export-oriented Sputnik Light vaccine to be approved soon.

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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 relief. President Moon's approval ratings have slumped to record lows due to scandal but impact on public health governance limited.	Greater Seoul distancing measures continue, due to elevated numbers of cluster infections.
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. ~90% of supplies administered.	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 20 regions, pressure on hospitals is starting to rise.	Medium/Low – Lack of coordination between central government/regions and intra-government tensions, but coalition likely to remain together.	The government remains unlikely to impose a common approach by regions to fighting the recent surge in cases.
Australia	An outbreak in Brisbane prompts 3-day lockdown; VIC classifies Brisbane a 'red zone' requiring quarantine, WA introduces hard border with QLD; NSW residents to avoid QLD travel.	Vaccination rollout still behind schedule; no longer counting on receiving Europe orders. Therapeutic Goods Administration approves initial batches of locally made AstraZeneca.	NSW government AUD 51.5mn tourism support package to encourage people back into the Sydney CBD – including vouchers for CBD hotels & specific support for live music.	High - CSL Melbourne facility works to boost manufacturing beyond one million weekly doses to deliver 50 million by the end of the year.	Medium - QLD outbreak prompts renewed border restrictions; debate on end of JobKeeper continues.	JobKeeper wage subsidy program ends; Federal budget expected in May.
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. After slow start, vaccinations gaining pace.	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 28 Mar, 6.85mn 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	Many domestic restrictions are easing, although borders remain constrained until mid-May.	Vaccination pace is picking up, with approximately 12 doses/100 people. Push to vaccinate foreign workers in close contact with Saudis.	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 vigorously enforced.	High – The government has aggressively suppressed dissident voices, and there is little opposition to its actions.	Ramadan starts ~ 12 April, bringing many nighttime gatherings with food. Government is urging vaccinations to combat new surge.

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Turkey	The easing of restrictions started on 1 Mar; weekend lockdowns lifted, and restaurants opened in low- and medium-risk provinces.	With a population of 83mn, about 15mn vaccine doses administered since mid-Jan. Vaccine supply remains an issue despite last week's arrival of 1.4mn doses of the Pfizer vaccine.	President Erdogan's decision to oust central bank chief Naci Agbal entrenched his unorthodox view that high rates cause inflation, raising Turkey's external financing risk.	Low – Turkey began easing restrictions on a province-by-province basis in early March, when the nationwide daily infection rate was below 10,000. The daily rate is now above 29,000.	Medium – Top medical association on 26 March called on health ministry officials to resign over their inability to manage the pandemic amid a surge in infections and deaths.	The government is considering new curbs due to a spike in infections and the looming start (~12 April) of the holy month of Ramadan.
Thailand	Color-coded scheme in effect with graduated restrictions depending on the severity of the local outbreak. Cases declining from central province.	Vaccine program has started with the Sinovac vaccine, and the broader AstraZeneca rollout has started.	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, last renewed on 26 Jan; reviewed periodically. Surge in infections between Dec and Feb 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. New restrictions announced in late-March in bid to halt rising caseload could face public resistance.	Sputnik V and Sinopharm vaccine roll out underway to cover 12mn people but deliveries are behind schedule. As of 29 Mar, 3.6mn 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.
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. Up to 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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