

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.	121mn Americans have received at least 1 vaccine dose and over 74mn are fully vaccinated, with over 3.2mn new doses being administered per day. Vaccines will be open to all US adults beginning next week.	While the US government continues to implement the American Rescue Plan, Congress is beginning to turn its focus to the American Jobs Plan, a package of infrastructure and jobs investments.	Medium – Most states have health system capacity, but tracing and testing is shaky. Reopening remains political, though is accelerating as more Americans are vaccinated.	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; discussion of 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 Apr.
China	Recent outbreak in northern China province is now under control, and lockdown measures have been eased in most regions.	155mn vaccines administered by Apr (including second doses). Goal to reach 40%, or 540mn people, by end-Jun and 64% by end-2021.	Policy makers 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.	Inbound travel restrictions remain tight, but the government is exploring "vaccine passport" initiatives with Asian neighbors.
Japan	New controls in Tokyo, Kyoto, and Okinawa. Schools opened, restaurants and bars asked to reduce hours, work from home encouraged.	Agreements for doses for 145mn people. Rollout for healthcare workers began in late Feb. Inoculations for elderly began on 12 Apr. Pfizer vaccine approved; AZ, Moderna pending.	Third FY20 supplemental budget (JPY 19.2tn) extends employment security, business support, and dining-out subsidies. New supplemental budget under discussion.	Medium – Strained hospital and ICU capacity, limited contact tracing. New 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.	Rise in cases linked to new, more virulent strains could prompt restrictions in other jurisdictions and possibly another state of emergency.
Germany	Federal government is trying to expand its powers to impose new restrictions on most affected regions.	As in many other European countries, vaccinations with the AstraZeneca (AZ) vaccine have been put on hold.	EUR 350bn+ in fiscal measures, EUR 800bn+ guarantees: tax delays, short-time work, 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.

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Canada	Hardest-hit provinces continue to roll back on their reopenings, reinstating curfews and stay-at-home orders.	Federal authorities announced a sharp increase in vaccine deliveries for the coming weeks, with a doubling of weekly Pfizer and Moderna shipments.	The upcoming 19 Apr budget is expected to follow recent provincial budgets by Ontario and Quebec, which presented large deficits and economic stimulus measures.	Medium – Public Health authorities expect the worst as daily case counts have risen nationwide. Hospitals are preparing by postponing elective surgeries.	High – Governing Liberal Party held its convention this weekend, with national polls showing ever-increasing likelihood of a resounding Liberal victory come election season.	Job recovery continued in March, while Covid-19 cases rose steeply and provinces continue lockdown efforts.
India	As infections rise, new restrictions imposed in many states (curfews, restricted entry in malls, markets and election rallies). Phase two vaccinations (those above 45) are accelerating.	Vaccine shortages a major problem: government has extended time period between two jabs of domestically produced Covishield. Export of some vaccines suspended.	~INR 30tn (USD 402bn), 15% of GDP – largely aimed at tourism, construction, and small business. Privatization exercise underway, with airports expected to be opened for investment.	Low – Extensive vaccination plan but full timeline unclear. Supplies running low. Vaccine may be made available over the counter. Charges for vaccination capped at INR 350 (USD 5) per dose; free in state-run hospitals.	Medium – State governments largely support the federal regime, but criticism continues over low-income support. Low supplies are threatening to become a political issue. Concern with insufficient testing.	A decision on opening international flights pending. Government says half the population will be vaccinated by Sep, which now seems overly optimistic.
United Kingdom	Non-essential shops and hospitality providers with outside seating have now 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 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-May, when indoor hospitality is expected to reopen.
France	Nationwide restrictions in place – including the closure of non-essential shops and a 7pm-6am curfew – until 3 May.	Vaccines supplied by EU joint purchases. Government has opened large vaccination centers; more than 15% of the population has received first dose.	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.	Medium – ICU capacity under considerable pressure; 44% of ICU patients are under 65 years of age.	Medium – Low confidence in the government; 77% believe that current nationwide restrictions will be extended beyond 3 May.	All individuals over 60 will have access to Pfizer and Moderna jabs from 16 Apr.
Italy	Lockdown measures will be eased from 12 Apr in six Italian regions even as the nationwide daily death toll remains well above 400.	Vaccination campaign is still struggling to take off; the official target of 500,000 jabs per day remains a distant goal. Only 6.2% of the total population has received both doses.	Rome will bring forward plans for as much as EUR 40bn in new borrowing as the cost of keeping the economy afloat drains the state's coffers and street protests heap pressure on the government.	Medium – Even if the Rt reproduction number has fallen to 0.92, the health system remains under acute strain and ICU occupancy is still above the critical threshold.	Medium – Frustration with financially ruinous curbs is leading to more frequent protests across the country, which are mainly led by restaurant- and SME-owners.	Parliament's anti-mafia commission is investigating whether crime syndicates are redirecting vaccines to friends at the expense of the elderly and vulnerable.
Brazil	Brazil set a new record of 4,195 deaths in 24h. Governors adopting tight social isolation restrictions to contain outbreak.	30mn people or 14% of the population immunized (23mn first jabs). 25.5mn new doses in Apr but scarcity to continue until 2H2021.	19 states (out of 27) decided to start paying own emergency aid. Impasse on 2021 budget may force new calamity state decree.	Low – Public Health System occupation still above 90% in 16 states, above 80% in 25 and 100% in at least 2.	Medium – Supreme-court mandated inquiry committee in the Senate to investigate mishandling of the pandemic weakens president.	New Senate inquiry committee may continue to be delayed despite Supreme Court decision since it may need to be presential.

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Russia	Concerns are rising about the potential third wave, as infection rates are declining very slowly. New travel restrictions to Turkey between 15 Apr and 1 Jun.	Three approved domestic vaccines: Sputnik V, EpiVac, CoviVac. Sputnik Light expected to be approved in the coming weeks. No recent data on vaccination progress.	Preferential mortgage scheme – in place until 1 Jul – is likely inflating housing prices. Amendments to the scheme likely.	Medium – Varying healthcare capacity across the country. Extensive vaccine skepticism. Low transparency of vaccination campaign. Still limited production of vaccines.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccination.	President Vladimir Putin's annual address to parliament on 21 Apr may entail new economic and social support measures.
South Korea	Greater Seoul region remains at third-highest level of social distancing, rest of country at fourth-highest level. Private gatherings larger than 5 are prohibited. Masks now required in all indoor settings and public transportation, at risk of fines.	Agreements for doses for 10mn people from Pfizer and AZ, 20mn from Moderna, 6mn from Janssen and maybe 10mn from COVAX. Vaccine free for all.	The administration 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 ICU capacity in Seoul region, but situation has improved with social distancing guidelines. Capacity to test, trace, isolate remains intact.	Medium – Ruling party supermajority and centralized state enabled quick health measures and relief. Churches and SMEs still oppose social distancing. New conservative mayor of Seoul pushing for more business-friendly social distancing measures.	Greater Seoul distancing measures continue, due to elevated numbers of cluster infections.
Spain	Regional governments are still in control of the pandemic. State of alarm to expire on 9 May.	Vaccines supplied through EU initiative. National strategy but regions lead rollout. Goal to immunize 70% of population by summer's end.	Short-term employment scheme covering ~3mn workers expiring on 31 May. Additional EUR 10bn package to support SMEs and the self-employed recently approved.	Medium – Cases are increasing in several regions; pressure on hospitals is starting to rise again.	Medium/Low – End of state of alarm on 9 May has revived concerns about regions' ability to manage further surges in cases.	The government will meet with trade unions and employers shortly to discuss an extension of the furlough scheme beyond 31 May.
Australia	VIC recategorizes hotspots in QLD and NSW, allowing travel, and welcomes first international arrivals in two months; WA eases capacity limits.	Government says AZ vaccine not preferred for adults under 50 and declines to set new vaccination schedule; new order of 20mn Pfizer vaccines to arrive mostly in late 2021.	Treasurer says May federal budget to focus on jobs and supply chain resilience.	High – CSL to continue manufacturing 50mn doses of AZ vaccine despite new limited use, creating surplus.	Medium – Ongoing debate on border closures and vaccine rollout, including the development of mass vaccination hubs.	Federal budget in May; travel bubble with New Zealand starts Apr 19.
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); AZ (77.4mn doses); CanSino (up to 35mn doses); Sputnik V (24mn doses); Sinovac (10mn doses); Sinopharm (12mn doses); and COVAX.	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 pushed back to end-May. As of 11 Apr, 5.8% of population had received a single dose and 1% have received a double dose.

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Indonesia	The government has shifted from provincial-level restrictions to micro-level measures at the neighborhood level.	Second phase vaccine rollout, which will include active adults. But a slowdown in AZ supplies from India expected in Apr has led to volatile daily vaccination rates.	~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 more than 5mn doses administered. Push to vaccinate foreign workers in close contact with Saudis.	The government has committed USD 61bn in economic relief, mainly targeted at the private sector.	Medium – MERS spurred investments. Institutional capacity is mixed; expatriate population lives 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 Apr, bringing many nighttime gatherings. Caseload rising. Government is urging vaccinations to combat new surge.
Turkey	The government is weighing options, including a shutdown, during the Islamic holy month of Ramadan (starting 13 Apr) as daily cases have recently climbed to record highs.	With a population of 83mn, about 18.5mn vaccine doses administered since mid-Jan. Vaccine supply remains an issue despite recent arrival of 1.4mn doses of the Pfizer vaccine.	The central bank's Monetary Policy Committee meets on 15 Apr – the first meeting since President Erdogan rocked markets by installing as governor a like-minded critic of tight policy.	Low – The seven-day rolling average of new daily cases is just below 50,000, up by 25% over the past week. Istanbul counts for 40% of all cases recorded in the country.	Medium – The number of deaths has risen sharply, by almost 50% since 1 Apr, leading health professionals to call for an immediate lockdown.	US President Biden is likely to acknowledge the genocide of ethnic Armenians by the Ottoman Empire on 24 Apr. The official recognition will rattle US-Turkey ties and could trigger calls for boycotts of US goods.
Thailand	Country is implementing a color-coded system to signal threat level in provinces. Government has shut down nighttime entertainment spots to prevent spread of "UK variant."	Vaccine program has started with the Sinovac vaccine, and the broader AZ rollout has started. Limited supply is slowing vaccinations, causing Thailand to explore new orders and to liberalize private sector importation.	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 improved but border controls are a concern as returning Thais from neighboring countries seem to be source of outbreaks.	Medium – Policy is accepted but government seen as ineffective in other areas (economy); as a result, there may be more focus on growth.	Government is attempting to contain its worst spike since the start of the pandemic, and a sustained increase in new cases in the next two weeks could trigger tighter restrictions.
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 Jun Midsummer holiday.	SEK 812bn in tax delays, credit guarantees; wage subsidies, SEK 500bn business loans, SEK 300bn bond buying.	Medium – Institutional capacity 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). Looking to procure Sputnik V & 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 both remain very weak.	Medium – Gradual reopening softens economic grievances but could be challenged by rising caseloads. Vaccination rollout could be hampered by mistrust of state institutions, particularly in the majority Muslim north.	Oil production, GDP and trade figures; response from World Bank to request for a USD 1.5bn loan.

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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 rollout underway to cover 12mn people but deliveries are behind schedule. As of 4 Apr, 4.2mn doses have been administered. 23.6mn AZ doses on order; deliveries started late-Feb but not at volumes that the government expected.	6% of 2020 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 and spread of new variants at onset of autumn/winter. Government could implement further restrictions amid worries over new surge in cases and hospital occupancy rates, especially in Buenos Aires province.
South Africa	Lockdown eased to Level 1 on 28 Feb, maintaining limited night-time curfew; limits on gatherings were increased over Easter despite health concerns.	Plans to vaccinate 40mn people in 2021 but delays likely. 51mn doses in pipeline from J&J and Pfizer. Use of AZ vaccine suspended; limited 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.	Low – Second wave severely strained public and private health services; third wave expected towards South African winter.	Medium – Corruption in PPE procurement, lack of transparency around vaccine selection and rollout are fueling opposition.	Speed of vaccine procurement and rollout as third wave expected. Vaccine efficacy against B.1.351/501Y.V2 variant.

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