

## 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.	107.5mn Americans have received at least one dose of the vaccine and 62.4mn are fully vaccinated. Daily vaccinations reached 3mn.	President Biden signed the USD 1.9tn American Rescue Plan into law. The American Jobs Plan, focused on infrastructure, is next on the list.	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; 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 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	New controls in greater Osaka, Miyagi prefecture. Schools opened, restaurants and bars 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, Astra Zeneca 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 declare another state of emergency.
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.	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.
Canada	Cases soar across the country as variants take hold.	Federal and provincial governments continue to argue over who's to blame for the slow roll-out of vaccines.	The Federal Government's 19 April budget is expected to include large economic stimulus measures.	Medium – Hospitalizations declined 4%, ICU beds filled rose 22%. Health officials concerned by new variants.	Medium – Liberal government rules out spring elections, though current polling indicates higher likelihood of securing a majority win than in 2019.	Cases have increased by almost 30% this week and deaths rose by 18%.

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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 has become a major problem: the government has ordered a longer time period between the two-jab course for the domestically produced Covishield. In some states, weekend vaccination has been stopped. Export of some vaccines suspended.	~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. A new forbearance package announced for small business.	Low – Extensive vaccination planning. 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. In state-run hospitals, it is free.	Medium – State governments largely support the federal regime. But criticism continues over low-income support. And low supplies are threatening to become a political issue. Concern with insufficient testing.	A decision on opening international flights still pending. Government says half the population will be vaccinated by September. This target now seems overly optimistic.
United Kingdom	Non-essential shops and hospitality providers with outside seating to open on 12 April.	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-May when indoor hospitality is expected to reopen.
France	Government has imposed nationwide restrictions, including the closure of non-essential shops and a 7pm-6am curfew.	Vaccines supplied by EU joint purchases. Government has opened large vaccination centers; immunization pace continues to accelerate.	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 – 66% believe Macron was wrong not to introduce a stricter January lockdown. 77% support the imposition of tougher restrictions for one month.	The new nationwide measures will remain in place until 3 May.
Italy	All regions will remain either 'red' or 'orange' zones – the two highest-risk zones, with tight restrictions in place – until 30 April. The only area in which the government plans to relax the rules is schools.	The vaccination campaign is still struggling to take off and the official target of 500,000 jabs per day remains a distant goal. Only 5.6% of the total population has received both doses.	Rome expects Italy's economy to grow by 4.1% this year and 4.3% in 2022. A new stimulus package worth EUR 20-30bn is expected to be unveiled in May/June.	Medium – Seven-day rolling average of daily new cases is around 19,500, suggesting that the worst of the third wave is over. However, the daily rate of Covid-19 related deaths remains above 400.	Medium – The government approved legislation to make vaccines mandatory for all health care workers. Those who refuse can transfer or be suspended without pay for up to a year.	The first doses of the Johnson & Johnson vaccine will arrive in Italy on 19 April. According to the EU agreements, Italy is entitled to 7.3mn doses of the vaccine in Q2 and 15.9mn doses in Q3.
Brazil	Brazil set a new record on 1 April with 3,950 deaths in 24h. Governors adopting tight social isolation restrictions to contain outbreak.	Brazil should reach an average of 2mn doses per day by May. Vaccination of proprietary groups expected to be concluded only in the second half of 2021.	Economy Minister Paulo Guedes against issuing a new public calamity decree. New emergency aid of BRL 150 starts being paid this week.	Low – Public Health System occupation still above 90% in 16 states, above 80% in 26 and 100% in at least 2.	Medium – President Bolsonaro continues to attack governors who support social isolation restrictions. Federal government and Congress claim to have agreed on the 2021 budget.	Bolsonaro attempting to restore business support amid decreasing popularity and pressure for economic recovery and new strategy to fight the pandemic.

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Russia	Gradual reopening continues across regions as new cases decline. Majority of businesses and public services are functioning under sanitary regime.	3 approved domestic vaccines: Sputnik V, EpiVac, CoviVac. Local media estimates 6.9mn (4.7% of population) received at least one jab and 4.7mn (3.2%) fully vaccinated.	Preferential lending scheme for the most-affected sectors until 1 July. RUB 2bn tourist cashback scheme renewed. Central bank gradually phasing out support for creditors.	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 Federation Council (upper house of parliament) scheduled for 21 Apr may entail new economic/political initiatives.
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.	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 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.	Greater Seoul distancing measures continue, due to elevated numbers of cluster infections.
Spain	Regional governments still in control of the pandemic.	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 are increasing in several regions, and pressure on hospitals is starting to rise again.	Medium/Low – Lack of coordination between central government/regions and intra-government tensions, but coalition likely to remain together.	The government is considering increasing tax credits for firms that bring back furloughed workers.
Australia	QLD snap 3-day lockdown ends; state border restrictions ease; Byron Bay cancels music festival and introduces short-term restrictions.	Rollout behind schedule, fewer than 1m doses administered versus target of 4m by April; NSW pushes for mass vaccination hubs as states set to play greater role.	Prime Minister Morrison hints at new measures to attract foreign investors in May budget.	High – Health Minister reassures public of AstraZeneca safety after Melbourne man hospitalized with blood clots, Therapeutic Goods Administration investigating.	Medium – Federal government faces criticism on delayed vaccine rollout; states call for regular vaccination data; debate expected in this week's national cabinet meeting.	Travel between Australia and New Zealand without quarantining starts 19 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.	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 in recent weeks. As of 4 Apr, 9mn 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.

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<b>Saudi Arabia</b>	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 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. Caseload rising. Government is urging vaccinations to combat new surge.
<b>Turkey</b>	In the face of rising case and fatality numbers, Ankara reimposed weekend curfews in high-risk areas, as well as other curbs, in addition to special measures for the holy month of Ramadan.	With a population of 83mn, about 17.2mn vaccine doses administered since mid-Jan. Vaccine supply remains an issue despite the recent arrival of 1.4mn doses of the Pfizer vaccine.	Inflation accelerated for 6 months in a row, climbing above 16% in March, making it harder for the new central bank governor to fulfil President Erdogan's wish to ease monetary policy.	Low – The seven-day rolling average of new daily cases is just below 40,000. The latest peak came after cases surged when the government eased restrictions in early March.	Medium – Experts have warned that the ongoing third wave might take a turn for the worse when compared to Nov-Dec, when the highest number of cases and fatalities were reported thus far.	US President Biden is likely to acknowledge the genocide of ethnic Armenians by the Ottoman Empire on 24 April. The official recognition will rattle US-Turkey ties and could trigger calls for boycotts of US goods.
<b>Thailand</b>	Color-coded scheme in effect with graduated restrictions depending on local outbreak. Cases declining in 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 improved but border controls are 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.	Case numbers have declined after a January spike, and there is pressure on the government to signal tourism openings by October.
<b>Sweden</b>	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 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.
<b>Nigeria</b>	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). Look 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 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.

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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 roll out underway to cover 12mn people but deliveries are behind schedule. As of 4 Apr, 4.2mn doses have been administered. 23.6mn AstraZeneca 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 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; limits on gatherings were increased over Easter despite health concerns.	Plans to vaccinate 40mn people in 2021 but delays likely. Ca. 41mn 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 – Second wave severely strained public and private health services; 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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