

## 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.	139mn Americans have received at least 1 vaccine dose and over 94mn are fully vaccinated. Over 2.8mn new doses are being administered per day. Vaccines open to all US adults in all states beginning last week.	While the government continues to implement the American Rescue Plan, Congress has turned 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.	220mn vaccines administered by Apr 24 (including second doses). Goal to reach 40%, or 540mn people, by end-Jun and 64% by end-2021.	Monetary and fiscal policy is tightening, but a program offering targeted credit support and loan-repayment extensions to small businesses has been extended through end-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 state of emergency announced in Tokyo and greater Osaka. Elevated controls in effect in 7 prefectures. New state of emergency calls for drinking establishments and large entertainment facilities to suspend operations.	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 and Moderna pending.	Third FY20 supplemental budget (JPY 19.2tn) extends employment security, business support, and dining-out subsidies. Government and LDP debating need for a new stimulus package.	Medium – Strained hospital and ICU capacity, limited contact tracing. New legislation enables fines and incentives to drive compliance with restrictions.	Medium – Candidates backed by the ruling Liberal Democratic Party lost all 3 national by-elections held on 25 Apr. While not unexpected, the defeats are a significant setback for the PM	PM Suga's decision to introduce a third state of emergency could further erode confidence in his government.
Germany	Federal government has expanded its powers to impose new restrictions on most affected regions.	EU's new Johnson & Johnson contract has raised hopes of faster vaccination rates in May and June.	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.	Discussions about lifting restrictions for fully vaccinated and recovered people.

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Canada	Stay-at-home orders and curfews continue across the country.	As eligibility for vaccine appointments expands, Canadians are expressing frustration with the fragmented and confusing vaccine booking systems.	The Federal government presented its Budget 2021, which clocks in at \$101.4 billion of net new spending over the next three years. The Finance Minister warns that a third wave of the pandemic could add \$15bn to this year's deficit.	Medium – Intensive care units are preparing for the worst-case scenario emergency triage protocol. ICUs in Ontario hit a record 851 patients this week.	Medium – Calls for Ontario Premier Doug Ford's resignation continue, following a tearful apology for restrictions that he says went too far.	As of 26 Apr, almost 30% of Canada's population has received its first vaccine dose, but only 2.5% have received the second dose.
India	As infections rise, new restrictions imposed in many states (curfews, and restricted entry to malls, markets, and election rallies). Phase two vaccinations (those above 45) are accelerating.	Vaccine shortages a major problem. Government extended time period between two jabs of domestically produced Covishield, while state governments granted greater control over supply management. Export restrictions on some vaccines (and Remdesivir).	New package for pharma and health sector to be announced. ~INR 30tn (USD 402bn) package (or 15% of GDP, focusing on tourism, construction, small business) already in place. Privatization exercise underway, with airports potentially opened for investment.	Low – Supplies running low. Vaccines available over the counter from 1 May with charges capped at INR 350 (USD 5) per dose; free in state-run hospitals. Hospital beds, ventilators, oxygen running perilously low; use of oxygen for non-medical purposes banned.	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 amid severe surge in cases.
United Kingdom	Non-essential shops and hospitality providers with outside seating have now reopened.	The number of vaccinations conducted in the UK still 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 Oct.	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.	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. Around 21% 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 scheme deployed from May.	Medium – Pressure on ICU capacity remains high, but number of hospitalized Covid-19 patients is declining.	Medium – Low confidence in the government, but Macron still has the support of a large majority in parliament.	The government will lift mobility restrictions on 3 May, and outdoor hospitality could re-open in certain regions from mid-May.
Italy	Italy will begin easing lockdown on 26 Apr in what is Mario Draghi's first significant gamble since taking office as PM in Feb. Schools and "open-air business activities" will be prioritized.	Despite a modest acceleration in the vaccination rollout, the official target of 500,000 jabs per day remains a distant goal. Only 8% of the total population has received both doses.	On 24 Apr, the cabinet signed off on a large package of investment and reforms that will be financed by the EU's pandemic recovery fund. Italy is set to receive EUR 191bn, including EUR 69bn in grants, over a period of 6 years.	Medium – Even if the daily new cases have fallen, the health system remains under pressure. Italy still reports hundreds of fatalities per day (the 7-day rolling average is 346).	Medium – The decision to keep in place until 1 Jun a nationwide 10pm curfew has created turmoil within the ruling coalition. The Lega is openly calling for scrapping such a measure.	Italy has held talks with various manufacturers about starting production of mRNA-based vaccines in the country. The aim is to deepen those supplies over other types of jabs.

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Brazil	Weekly variable average decreased to 2,531 deaths – a 19% decrease in two weeks. Hospitalizations in São Paulo, a leading indicator, down by 27% in Apr.	29mn first jabs (13.7% of the population), 12.4mn both jabs. AZ AFI imports for national production delayed until July, affecting original 110 million doses produced in 2H 2021.	With 2021 budget law enacted, less tension and some optimism following positive March tax collection results. Economy minister weak, but not dead.	Low – Public Health System occupation still above 90% in 14 capitals, above 100% in 2 capitals, and below 80% in 5.	Medium – President Bolsonaro feeling cornered by parliamentary inquiry on Covid-19, betting on unlikely convincing performance by former health minister.	New Senate inquiry committee (CPI) starts on 27 Apr with a 7 to 4 anti-government bias. Bolsonaro still trying to trade pork for support in the CPI, but should not succeed.
Russia	New daily infections have stabilized around 8,500 in the past two weeks. Non-working period announced during 1-10 May.	Relies on domestic vaccines: Sputnik V, EpiVac, CoviVac. As of 23 Apr, 11.1mn (7.6% of population) got first dose and 6.8mn (4.7% of population) were fully vaccinated.	During his state-of-the-nation address on 21 Apr, President Vladimir Putin instructed government to prepare new economic support measures within one month.	Medium – Varying healthcare capacity across the country. High vaccine skepticism. Limited transparency of vaccination campaign. Still limited production of vaccines. As of 26 Apr, 110,000 Covid-19 patients hospitalized.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccination.	Infections rising in Moscow. Sputnik Light vaccine to be approved in early May.
South Korea	Greater Seoul, Busan, and Taejeon remain at third highest level (Level 2) of social distancing, rest of country at fourth highest level. Current measures to remain in place until at least 2 May.	Goal is to achieve herd immunity (70% vax rate) by Nov. Production of NOVAVAX to begin in Apr 2021, 20mn doses scheduled to roll out by Sep. Around 192mn doses secured so far.	A new relief package, worth USD 17.4bn, was approved on 25 Mar. Mainly catering to small businesses and the unemployed.	High – As of 25 Apr, ICU capacity remains stable. Capacity to test, trace, isolate remains intact.	Low/Medium – Negative public reaction to slow vaccine rollout/procurement evident in ruling party losses in Seoul and Busan mayoral elections.	Greater Seoul distancing measures continue due to elevated numbers of cluster infections.
Spain	Regional governments are still in control of pandemic management. State of alarm to expire on 9 May, no extension expected.	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 extended to 31 May. Additional EUR 10bn package to support SMEs and the self-employed recently approved.	Medium – Number of infections seems to be declining but ICU occupancy is rising in certain regions.	Medium/Low – The end of the state of alarm on 9 May has revived concerns about ability of regions to manage further surges in cases.	Small firms and the self-employed will be able to apply for direct subsidies to support their solvency from 1 May.
Australia	Perth lockdown ends, but mask wearing still required. NZ pauses travel bubble with WA. Australia reduces flights from India.	Persons over 50 to get AZ vaccine sooner but restricted from receiving Pfizer until end of the year.	Government considers one-off tax cuts for low- and middle-income Australians in May budget; VIC announces A\$50mn to fund domestic mRNA vaccine production.	High – Government extends subsidized telehealth services until the end of the year; VIC / NSW unveil mass vaccination sites.	Medium – WA premier blames federal government for allowing Australians to travel overseas; NSW premier calls for other states to take more arrivals for quarantine.	Federal budget 11 May.

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Mexico	Traffic light system is controversial and arguably discredited after delay in recognizing "second wave" of cases. Official messaging often 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. Deliveries subject to delays.	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.	The seven-day rolling average of cases has dropped to 3,200, though health authorities last week warned of rising caseloads across ten states. Some 16mn vaccines have been administered as of 25 Apr.
Indonesia	Government has shifted from provincial-level restrictions to micro-level measures at neighborhood level.	Second phase vaccine rollout, which includes 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, SOE bailouts. Reforms to attract investment and new sovereign wealth fund launch this year.	Medium – Testing capacity has improved in recent months, but demand for ICU bed capacity, while well below critical levels, is still vulnerable to a serious spike.	Medium – Government has broad support for most pandemic economic and health policies, but labor is unhappy with some reforms.	Restrictions adjusted based on public and government perceptions of risk and locations 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 7mn doses administered. Push to vaccinate foreign workers in close contact with Saudis.	Saudi GDP is expected to grow by 2.4% in 2021. The recovery will be supported by the large Public Investment Fund projects underway.	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 nighttime gatherings raise the risk of spreading the virus. Curbs could be re-imposed, including quarantining and isolating cities and neighborhoods.
Turkey	Ankara is likely to extend a two-week partial lockdown that is set to expire on 26 Apr as the situation remains critical. The 7-day rolling average of new cases is around 54,000.	With a population of 83mn, almost 21.2mn vaccine doses administered since mid-Jan. Around 8mn people have received both doses. Vaccine supply remains an issue.	The Central Bank left its main policy rate unchanged at 19% on 15 Apr, but signaled it could loosen policy if inflation begins to slow. Turkish Lira set to remain volatile.	Low – Infections and Covid-19 related deaths have soared to record levels. Turkey shunned a full lockdown that involves the closure of all businesses, fearing it may derail the economy further.	Medium – Health professionals have called for more jabs to speed up the vaccination process. Infections in Istanbul have declined by 20% over the past week.	US President Joe Biden recognized the Armenian Genocide on 24 Apr. The move marks a new low point in Turkey-US relations. Turkey's response will be mainly rhetorical. Retaliatory measures are unlikely.
Thailand	Color-coded system signals threat level in provinces. Government has shut down nighttime entertainment spots to prevent spread of "UK variant."	Vaccine rollout started with Sinovac vaccine, and broader AZ rollout has started. Limited supply is slowing vaccinations, causing Thailand to explore new orders and liberalize private 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 – Improved capacity for testing but border controls are a concern as Thais returning from neighboring countries seem to be source of outbreaks.	Medium – Policy is accepted but government seen as ineffective in other areas (economy); consequently, there may be more focus on growth.	Government is attempting to contain its worst spike since the pandemic's start, 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.	Aim 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.	Amid a consistently high case load, restrictions have been extended rather than being lifted in time for 3 May.

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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.
Argentina	Strict and lengthy lockdown failed to limit Covid-19 spread. Tightening of restrictions from Mar 2021 amid second wave, with further restrictions imposed in Apr.	Sputnik V and Sinopharm vaccine rollout underway to cover 12mn people, but deliveries are behind schedule. As of 18 Apr, 5.5mn doses have been administered. 23.6mn AZ doses on order; deliveries started late-Feb but not at volumes that 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 relatively 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. Worsening 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. Hospital system remains under pressure. Government's Apr 2021 closure of schools is highly controversial and divisive.
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 by Mar 2022 but rollout slow. 61mn doses contracted from J&J and Pfizer. 'Trial' rollout of J&J vaccine started 18 Feb; phase 2 due to start on 17 May.	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 closer to start of South African winter.	Medium – Slow vaccine procurement and rollout, as well as periodic health measures, 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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