

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.	131mn Americans have received at least 1 vaccine dose and over 76mn are fully vaccinated, with over 3.2mn new doses being administered per day. Vaccines open to all US adults in all states beginning this week.	While the 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.	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.	Inbound travel restrictions remain tight, but the government is exploring "vaccine passport" initiatives with Asian neighbors.
Japan	New controls introduced in 4 more prefectures, (Aichi, Saitama, Kanagawa, and Chiba). 10 prefectures now included. Schools opened, restaurants and bars at reduced 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. Several governors may be preparing to request 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	Canada's most populous province, Ontario, has enforced a stay-at-home order for all residents.	Provinces continue to lower age ranges for vaccination, through offering AZ vaccine to members of the population eager to be inoculated.	Federal budget is expected to extend Canada's wage subsidy program until Sep. CAD 100bn packaged expected to help housing, transit and green technology.	Medium – This week, Covid-19 hospitalizations rose by 18.3%, with a total of 4,009 Canadians hospitalized.	Medium – New stay-at-home orders and lockdown measures in provinces met with increasing dissent.	As of 19 Apr, 25% of Canada's population has received its first vaccine dose.
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, 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.
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.	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 18% 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 – Pressure on ICU capacity across the country has started to decrease in recent days.	Medium – Low confidence in the government but Macron still has the support of a large majority in parliament.	President Macron has suggested the government will authorize the reopening of outdoor hospitality from mid-May.
Italy	The government announced that many of the current restrictions will be gradually relaxed from 26 April. 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 7.1% of the total population has received both doses.	Rome now expects a budget deficit of 11.8% of GDP and a lower growth forecast of 4.1% this year, with a target of 4.5% once stimulus and other measures are factored in.	Medium – Even if the daily new cases have fallen, the health system remains under acute strain. Italy still reports hundreds of fatalities per day (the 7-day rolling average is 393).	Medium – The decision to keep in place a nationwide 10pm curfew has created turmoil within the ruling coalition. The Lega is openly calling for scrapping such a measure.	Italy risks missing a 30 April deadline for submitting a final version of its Recovery Plan to the EC because Brussels is not satisfied with several aspects of the drafts presented so far.
Brazil	Weekly variable average decreased to 2,878 deaths; states relaxing restrictions despite continued critical scenario.	26mn first jabs (12% of the population), 10mn both jabs. Private sector seeking to buy US surplus doses.	19 states and 16 capitals launched own aid with higher rates than aid from federal government.	Low – Public Health System occupation still above 90% in 17 states, above 80% in 24, and 100% in one.	Medium – Supreme-court mandated Senate inquiry committee to investigate mishandling of pandemic has anti-government bias.	New Senate inquiry committee to appoint president and rapporteur highly critical of Bolsonaro's denialism. Focus on sub-federal level only when federal public funds disbursed.

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Russia	Infection rates are declining very slowly. Flights to/from UK banned until 1 Jun. All persons entering Russia required to conduct Covid-19 test as of 15 Apr.	Relies on domestic vaccines: Sputnik V, EpiVac, CoviVac. As of 19 Apr, an estimated 10mn (6.9% of population) got first dose and 6.2mn (4.2%) of population were fully vaccinated.	President Vladimir Putin's annual address to parliament on 21 Apr is expected to introduce new economic and social support measures.	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.	Amid gradually rising infections in Moscow, consumer health watchdog Rospotrebnadzor has proposed to introduce special epidemiological regimes in largest cities.
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 required in all indoor settings and public transport, at risk of fines.	Agreements for doses for 10mn people from Pfizer and AZ, 20mn from Moderna, 6mn from J&J 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. Seoul's new conservative mayor pushing for more business-friendly distancing rules.	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, 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 despite variant of the virus first found in the UK representing 80% of new cases.	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.	The opposition People's Party (PP) is expected to win the 5 May regional election in Madrid.
Australia	WA to enforce mandatory vaccines for quarantine workers; QLD audits fit-testing of masks after healthcare worker complaints.	Revamped vaccine rollout to accelerate vaccination of over 50s with AZ and more quickly establish vaccine hubs.	Federal budget on 11 May expected to announce lower-than-forecast deficit alongside 'recovery' measures including on skills / workforce and women's economic security.	High – PM flags potential for returned travelers to quarantine at home rather than hotels; government begins investigating domestic manufacturing of mRNA vaccines.	Medium – Ongoing debate about quarantine requirements; some discontent around PM's efforts to increase states/territories' involvement in fraught vaccine rollout.	National cabinet meeting twice weekly from 19 Apr.
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.	New cases appear to be plateauing, albeit at high levels. Vaccine supplies remain patchy; approximately 35% of 51mn doses initially contracted to arrive over Q1/2021 have actually been delivered.

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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 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 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 bringing many nighttime gatherings. Caseload rising. Government is urging vaccinations to combat new surge.
Turkey	Responding to a surge in cases, tighter restrictions announced on 13 Apr for the first two weeks of Ramadan. Government moved slowly as it sought to keep the economy open.	With a population of 83mn, almost 20mn vaccine doses administered since mid-Jan. Vaccine supply remains an issue. Only 38% of Turks trust in efficacy of Covid-19 vaccines.	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 currently ranks fourth in the world in the number of daily cases based on a 7-day average.	Medium – Health professionals have called for more jabs to speed up the vaccination process as daily cases have reached a record high. The 7-day average of new cases is just below 63,000.	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	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 – 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); 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.	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 Covid-19 spread. Restrictions tightened from Mar and will remain strict for at least the rest of 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 April 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 Feb 2022 but rollout slow. 51mn doses in pipeline from J&J and Pfizer. Use of AZ vaccine aborted; limited 'trial' rollout of J&J vaccine temporarily halted in Apr.	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 – Lack of transparency around vaccine selection and rollout, as well as PPE procurement corruption, 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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