

## 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 many states continue to roll back restrictions. Masks are required in all federal locations.	152.1mn Americans have received at least 1 vaccine dose, and over 114.3mn are fully vaccinated. Just over 2.02mn new first doses are being administered per day.	Congress has turned its focus to the American Jobs Plan, a package of infrastructure and jobs investments, and the American Families Plan.	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.	Democratic lawmakers are considering the American Jobs Plan, an infrastructure package priced at over USD 2.2tn. GOP lawmakers have introduced their own infrastructure package with a far more modest price tag of USD 568bn.
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; criticism of joint vaccine procurement.	Medium – Different positions persist, but overall approach to crisis response is more proactive than after the 2008 financial crisis.	Commission is still waiting for national recovery plans to be handed in – deadline was 30 April.
China	No major outbreaks in 2021, and lockdown measures have been eased.	298mn vaccines administered by May 1 (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 Asia and Europe.
Japan	State of emergency extended in Tokyo and three other areas until at least the end of May to arrest a surge in cases.	So far 2.2% of the population has received at least one dose of the Pfizer vaccine, the only vaccine to have been approved by the authorities. Just 15% of vaccine stockpile has been used so far.	Public debt rose to a record JPY 1,216.46tn in fiscal year 2020. The expansion of debt moved Japan further away from restoring its fiscal health.	Medium – Strained hospital and ICU capacity, limited contact tracing. New legislation enables fines and incentives to drive compliance with restrictions.	Medium – PM Suga has come under fire for his response to the latest outbreak and for the slow vaccine rollout, exacerbated by poor planning and staff shortages.	With less than 80 days before the start of the Olympics in Tokyo, opposition to the event is increasing due to worsening of the pandemic. The government remains committed to holding the event.
Germany	Federal government has expanded its powers to impose new restrictions on the 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.	Federal "emergency brake" only applies in a few areas as incidence rates fall and governments discuss reopening strategies.

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Canada	Once again, several provinces are imposing new public health restrictions as infections remain high in parts of Canada; other provinces are looking to reopen as vaccinations increase.	Canada's Public Health Agency approved the Pfizer-BioNTech vaccine for children 12 and older. Two provinces subsequently announced they would offer the vaccine to children in this age bracket.	Canada's economy lost more jobs than expected in April, losing around 200,000 jobs, as fresh restrictions to contain a variant-driven third wave of Covid-19 weighed on employers.	Medium – Hospitalizations declined 8% and occupied ICU beds declined 5%. The total number of active cases declined 5%.	Medium – A Bill introduced by the minority Liberal government which aims at organizing possible "Covid time elections" is being stalled by opposition amidst heightened election tension.	38.51% of Canadians have received their first vaccination, while the number of people fully vaccinated remains stagnant at 2.82%.
India	As infections rise, new restrictions are being imposed on many states (curfews and restricted entry to malls, markets, public transport). Phase 3 vaccinations (for those 18+) are accelerating, but severe shortages.	Severe vaccine shortages adding to chaotic hospital scenes, and states granted greater control over managing supplies. Government extended time between two jabs of domestically produced Covishield; export restrictions on some vaccines (and Remdesivir).	Central Bank's INR 500bn pharma and health sector package prioritizes lending to hospitals, oxygen suppliers, etc. INR 30tn package (15% GDP) in place to support tourism, construction, small businesses. Privatization scheme underway with airports a likely target.	Low – Vaccines in very short supply, but available over the counter from 1 May with charges capped at INR 350/dose and free at state-run hospitals. Hospital beds, ventilators, oxygen all running dangerously low. Oxygen use for non-medical reasons banned. Foreign aid pouring in.	Medium – State governments largely support the federal regime, but criticism continues over low-income support. Low vaccine supplies are threatening to become a political issue. Concern with insufficient testing.	A decision on reopening 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 administered in the UK still vastly outperforms the effort in the neighboring EU.	In total ~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 stage of reopening planned for 17 May will go ahead as planned.
France	Four-stage exit from lockdown kicked off on 3 May.	Vaccines supplied by EU joint purchases. Government has opened large vaccination centers. More than 26% of the population has received first dose. Over-50s can get first shot from 10 May.	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 – The number of cases, hospitalizations, and ICU patients are all declining.	Medium – Low confidence in the government, but 47% of respondents to a recent opinion poll say lockdown exit is proceeding at the right pace.	Government has confirmed that outdoor hospitality and cultural facilities will reopen from 19 May (with restrictions).
Italy	Italy began gradually easing its lockdown on 26 Apr. All but three of Italy's 20 regions will be under relaxed restrictions (yellow zone) from 10 May.	Around 11.5% of the total population has received both doses of the vaccine. The pace of inoculations has stepped up in recent weeks, but the 7-day average of daily inoculations is still around 450k.	Rome submitted its recovery plan to the EC. Italy is set to receive EUR 191bn, including EUR 69bn in grants, over a period of 6 years.	Medium – Even if 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 238).	Medium – The decision to keep in place until 1 Jun a nationwide 10pm curfew has created turmoil within the ruling coalition. The Lega wants to scrap the curfew.	From 16 May, Italy will allow foreign tourists to visit, giving a 'green' national travel pass to those who have been vaccinated, have tested negative, or have recovered from the virus.

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Brazil	Weekly variable average decreased to 2,100 deaths, a 17% decrease in one week. States relaxing restrictions, but imminent risk of third wave.	16.68% (35.3mn) of population received first dose, 8.3% (17.7mn) both doses.	Federal government relaunched support measures and programs used last year to address low economic growth.	Low – Public Health System occupation still above 90% in 10 capitals, at 100% in 1, and below 80% in 11.	Medium – Increasing pressure over Bolsonaro in Senate inquiry; President threatening to issue Executive Order to stop lockdown measures.	First week of the Senate's Inquiry (CPI) very harmful to government. Bolsonaro insists on denialism and confrontation with governors.
Russia	New daily infections are gradually falling, averaging around 8,000 in the past 7 days. Most restrictions have been removed in Moscow and other key cities.	Sputnik Light vaccine approved by regulators. As of 6 May, 13.4mn people (9.1% of population) got first dose, and 9.4mn (6.4% of population) were fully vaccinated.	Government allocated additional RUB 3.9bn to provide soft loans to the country's strategic enterprises.	Medium – Varying healthcare capacity across the country. High vaccine skepticism; limited 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.	Infections still creeping up in Moscow. Potential spike in cases after May holidays.
South Korea	Greater Seoul, Busan, and Taejeon remain at third-highest level (Level 2) of social distancing, rest of country at fourth-highest level (Level 1.5). Current measures remain in place until 24 May.	Around 4% of the population is vaccinated. Goal is to achieve herd immunity (70% rate) by Nov.	A new relief package, worth USD 17.4bn, was approved on 25 Mar mainly catering to small businesses and the unemployed.	High –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. Churches and SMEs still oppose social distancing.	South Korean President Moon Jae-in will meet US President Joe Biden on 21 May. Moon is expected to push for a restart of diplomacy with North Korea.
Spain	Regional governments are still in control of pandemic management. State of alarm expired on 9 May.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. 12.6% of population fully immunized. Goal to immunize 70% by summer's end.	Short-term employment scheme covering ~3mn workers extended to 31 May. EUR 10bn package to support SMEs and the self-employed.	Medium – Nationwide epidemiological indicators seem to be improving, but images of outdoor gatherings after the end of the state of alarm are raising concerns.	Medium/Low – Concerns remain about regions' lack of legal tools to counter further surges in cases.	Negotiations between Catalan secessionist parties to form a regional government have collapsed. If no agreement is reached before 26 May, the region will have to hold a repeat election.
Australia	NSW introduces restrictions for Greater Sydney after community transmission, since extended to 17 May.	NSW mass vaccination hub open from 10 May & can administer 30k vaccines a week; NSW opens registrations for 1mn people aged 40-49 to receive Pfizer vaccine in coming weeks.	Federal budget on 11 May to prioritize recovery and job creation. Treasurer indicates migration expected to resume in 2022.	High – NSW Health yet to identify missing link between quarantine case and small Sydney outbreak, but testing ramps up without delays.	Medium – PM says India travel ban will not be extended, several state and territory leaders agree to receive repatriation flights.	Repatriation flights from India to resume May 15.

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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; a lack of 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.	Some 21mn vaccines have been administered as of 7 May amid indications that new cases continue to fall. The government said it is aiming to have all the adult population inoculated by the end of Q1 2022.
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	Systematic restrictions on gatherings such as weddings increasingly enforced, and limits on Ramadan prayer and breakfast gatherings. Many travel restrictions will be lifted in about a week.	Vaccination pace is picking up, with more than 10.5mn doses administered. Vaccination will be required for all employees in public and private sectors.	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.	Saudi Arabia is about to start reopening. With many Indian workers, it will be a priority to ensure there is not a new spike in infections.
Turkey	This week the government will have to decide whether to extend the current lockdown ahead of its 17 May expiration. The 7-day rolling average of new cases is around 25,350.	With a population of 83mn, almost 25mn vaccine doses administered since mid-Jan. Around 10.3mn people have received both doses. Vaccine supply remains an issue.	The central bank left its benchmark interest rate unchanged at 19% for the second straight month even though inflation in Apr hit its highest level (17.1%) in nearly two years, leaving the Lira in a precarious spot.	Low – Experts have warned that the dramatic drop in the number of Covid-19 tests being carried out is masking the true scale of the disease's spread as the country prepares to open for tourists next month.	Medium – The health minister said that the opposition efforts to condemn China over its treatment of the Uighurs might have "damaged" Ankara's attempts to procure doses of the Sinovac Covid-19 vaccine.	Turkey reached a deal with Russia to acquire and start producing Sputnik V vaccine locally. The health minister said the deal is for 50mn doses of Sputnik V which should start to arrive later this month.
Thailand	Color-coded system signals threat level in provinces. Government has been tightening business restrictions 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 the worst spike since the pandemic's start, and a sustained increase in new cases in the next two weeks could trigger tighter restrictions.

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Sweden	Looking beyond its borders, Sweden has donated 1mn AZ doses to the COVAX initiative. Continued reduction in cases will determine pace of restrictions easing.	Pause on J&J means there are not enough supplies to meet mid-August target to offer all adults a first dose of the Covid-19 vaccine; deadline pushed to 5 Sep.	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.	National target of at least one vaccination shot for every adult has been pushed back to 5 Sep after J&J vaccine pause.
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 data; 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 restrictions to last until at least 21 May.	Vaccine rollout underway, but heavily reliant on Sputnik V and deliveries are behind schedule. As of 4 May, 8.2mn doses have been administered representing 18.2% of the population.	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 an ongoing challenge amid rising caseload and spread of new variants at onset of autumn/winter. Hospital system remains under pressure. As of 10 May, 9.1mn doses administered.
South Africa	Lockdown eased to Level 1 on 28 Feb, maintaining limited night-time curfew; limits on gatherings.	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; first signs of third wave and new variants (B.1.617.2) emerging ahead of winter (Jun-Aug).	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 variant.

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