

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 and cities continue to roll back restrictions following the CDC's new guidelines.	163.3mn Americans have received at least 1 vaccine dose, and over 130mn are fully vaccinated. Just over 1.83mn new first doses are being administered per day.	Congress continues to focus on infrastructure as the White House and GOP lawmakers negotiate behind the scenes to compromise on an infrastructure package.	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 continue to focus on passing an infrastructure package, and the President is also expected to release details of his full FY 2022 budget request on Friday.
European Union	Digital vaccination passports will be introduced as of Jul; technical interoperability of national systems is a potential challenge.	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 some national recovery plans to be handed in – deadline was 30 April.
China	Small outbreaks in Anhui and Liaoning province are counteracting vaccine hesitancy and contributing to an acceleration of daily vaccinations.	467mn vaccines administered by 20 May (including second doses). Goal to reach 40%, or 540mn people, by end-Jun and 64% by end-2021.	Monetary and fiscal policy is gradually tightening, but a program offering targeted credit support 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	On 21 May, the government added Okinawa to its list of nine prefectures placed under the strictest emergency measures, which includes Tokyo, where the Olympic Games are due to start in about two months.	So far only 4.1% of the population has received at least one dose of the vaccine. The authorities recently approved two more vaccines (AZ and Moderna) to speed a lagging inoculation rollout.	Japan's GDP contracted by 1.3% QoQ in Q1, highlighting the negative impacts of restrictions on movement during states of emergency and affecting the prospects for growth in the rest of the year.	Medium – With about 695,000 infections and 12,000 deaths, Japan is finding its medical system increasingly strained by a spike in more infectious variants.	Medium – Support for PM Yoshihide Suga fell to 32.2%, the lowest since he took office. Suga faces an election for leadership of the ruling Liberal Democratic Party in Sep, and a general election that must be held by Oct.	The top government spokesman on 23 May referred to the possibility of extending the coronavirus state of emergency in nine prefectures beyond its 31 May expiration date.
Germany	Meaningful relaxation of restrictions only with local incidence rates of 20, says federal health secretary.	EU's new Johnson & Johnson contract has raised hopes for 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.	Debate about further vaccine demand for potential booster shot as of late-2021.

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Canada	Stay-at-home orders and curfews continue to be upheld, but government officials hint about easing measures.	Canada has officially passed the 50% national vaccination milestone, with over 200,000 daily doses being administered.	Provinces across the country maintain tight lockdown restrictions with gradual reopening expected to take place through the summer. Government help programs continue to be expanded and extended.	High – With more and more Canadians receiving their first dose of the Covid-19 vaccine, the country's public health authorities have stated that the worst of the third wave has passed.	High – Prime Minister Justin Trudeau continues to soar above opposition party leaders in recent voter intention polls following drops in approval for the country's opposition and a surge in vaccinations	Government officials have stated that this summer should see fewer restrictions in place than last summer amidst drops in cases and spikes in vaccination rates.
India	Amid the surge, 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 shortages are severe.	Severe vaccine shortages; states granted greater control over supplies. Government extended time between two jabs of locally produced Covishield; export restrictions on some vaccines (and Remdesivir). Government warns of dangers of blood clots, especially from AZ shot.	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 likely targeting of airports.	Low – Vaccines in very short supply, but available over the counter since 1 May with charges capped at INR 350/dose, free at state hospitals. Hospital beds, ventilators, oxygen all running severely 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	21 Jun reopening stage likely to be maintained despite recent concerns over Indian variant.	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.	Government's assessment of traffic light system for international travel to follow in early June.
France	Four-stage exit from lockdown kicked off on 3 May.	Vaccines supplied by EU joint purchases. More than 35% of the population has received first dose. Population over 18 will be able to get appointment for vaccine from 31 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. Only 38 cases of the B.1.167 virus variant first found in India have so far been found in France.	Medium – Confidence in government has risen from 31% in early Apr to 41% in late May as the country has exited its last lockdown.	Next stage of lockdown exit, which will lead to reopening of indoor hospitality spaces (with limitations) will kick in on 9 Jun.
Italy	Italy began gradually easing its lockdown on 26 Apr. As of 23 May, all of Italy's 20 regions are under relaxed restrictions (yellow zone).	~17.2% of the total population has both vaccine doses while 17.8% is waiting for the second jab. The pace of inoculations has stepped up in recent weeks, but 7-day daily average still below 500k.	New stimulus measures worth EUR 40bn approved on 20 May. The new decree marks only a partial change from the recent past, and the bulk of the package remains compensatory in nature.	Medium – hospitalizations fell below 10,000 for the first time since last year. Italy still reports hundreds of fatalities per day (the 7-day rolling average is 156).	Medium – A controversial night-time curfew has been pushed back to 11pm and will be scrapped from 21 Jun onwards.	With an 18 May decree, Rome simplified the way regional risk zones are classified to place more emphasis on the number of Covid-19 patients in hospital and intensive care.

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Brazil	Weekly variable average stable at around 1,900 deaths. Polls showing social isolation at lowest level in the pandemic. Third wave expected.	Governors intervened to attenuate bilateral Brazil-China row and API now to be delivered soon. 20% of the population received first jab, 10%, both jabs.	Economy minister says new social measures to be proposed. Executive order to extend emergency aid in the pipeline.	Low – Public Health System occupation still above 90% in 7 states but below 80% in 12.	Medium – Congress still attempting resuming work on a tax reform despite full attention to Senate inquiry into the pandemic.	President Bolsonaro doubling his bets on loyal, social-media-intensive, radical minority support (30%) to survive the Senate inquiry storm.
Russia	14-day rolling average of new daily cases increased by 7.5% to around 8,600. Face mask regime likely to be kept for foreseeable future. Some restrictions in schools.	As of 24 May, an estimated 15.4mn people (10.5% of population) got first dose, and 11.1mn (7.6%) were fully vaccinated. Vaccination campaign slow due to high vaccine skepticism.	RUB 25bn (USD 340mn) will be allocated for the construction of new hospitals in regions; various measures taken/considered to limit rising prices of metal, timber, plastics, food products etc.	Medium – Varying healthcare capacity and vaccination progress across the country. Low transparency of vaccination campaign; limited production of vaccines.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccination.	Amid slow vaccination progress, discussions are picking up on making vaccination mandatory to various groups of citizens/occupations.
South Korea	Seoul, Busan, Ulsan remain at Level 2 (3rd highest level) social distancing, rest of country at Level 1.5 (4th highest level) for 3 more weeks. No private gatherings >5 except for family. Fully vaccinated exempt from quarantine, and travel opening outside country.	Goal is herd immunity (70% vaccination rate) by Nov. 2.89% fully vaccinated, 7.36% received first dose. 20mn doses of Novavax scheduled for Sep 2021 rollout, 3.5mn doses of Pfizer to be received end-June. US to provide 550k vaccines for Korean military.	Fourth relief package approved by National Assembly 25 Mar mainly for small business and unemployed. Total package worth KRW 19.5tn (USD 17.4bn), including KRW 4.5tn carried over from the previous package.	High – ICU capacity remains stable; capacity to test, trace, isolate remains somewhat intact, but 25% of cluster cases untraceable.	Medium – Negative public reaction to vaccine rollout/procurement evident in ruling party losses in Seoul and Busan mayoral elections. Alliance-based vaccine partnership advocated by ruling and opposition parties.	21 May Biden-Moon summit produced agreement on comprehensive vaccine partnership covering R&D and production. Samsung-Moderna production agreement signed 22 May adding to existing production of AZ, Novavax, and Sputnik V.
Spain	Regional governments are still in control of pandemic management.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. 17% of population fully immunized. Goal to vaccinate 70% by summer's end.	Short-term employment scheme covering ~3mn workers extended to 31 May. Extension to 30 Sep currently in the works. EUR 10bn package to support SMEs and the self-employed.	Medium – Number of cases, hospitalizations, and ICU patients have continued to decline in recent days.	Medium/Low – Regions continue to apply different restrictions across the country.	The government has signaled that every individual from a third country (i.e., non-EU) who has been fully immunized will be able to enter Spain from 7 Jun.
Australia	New cases in VIC prompt QLD to introduce 14-day quarantine for anyone travelling from exposure sites; VIC to have police enforce mask-wearing on public transport from 24 May.	Gov expects 2 million doses of Pfizer weekly from Oct; Health Minister cautions against waiting for particular brands as hesitancy slows AstraZeneca rollout among over 50s.	VIC state budget commits AUD 1.3 bn to Covid-19-related programs, including hospitals, quarantine hub design, more paramedics, push to establish mRNA manufacturing.	High - Leaked gov testing shows frontline workers' N95 masks were often faulty; PPE requirements for quarantine workers set to be increased.	Medium – Ongoing debate about expanding quarantine program, idea of vaccine passport; QLD & PM clash over plans for quarantine facility.	Vaccination rollout accelerating; PM backs down on vaccine passport proposal - due to be considered at next week's national cabinet meeting - amid opposition from premiers.

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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 26.1mn vaccines have been administered as of 22 May amid indications that new cases continue to fall. The government said it is aiming to have all the adult population inoculated by end 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	The authorities have announced proof of vaccination will be required to engage in most public events and activities as well as using public transport, starting 1 Aug.	Vaccination pace is picking up, with almost 13mn doses administered. Vaccination will be required for all employees in public and private sectors.	The economy shrank 3.3% YoY in Q1 due to reduced oil production, while the non-oil economy recovered from the pandemic and expanded 3.3%. The authorities are aiming to raise USD 55bn over the next four years by privatizing assets.	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 has begun allowing vaccinated Saudis to travel overseas again, and flights are full.
Turkey	Gradual lifting of lockdown restrictions started on 17 May. Curfews will remain in place on weeknights and during weekends.	With a population of 83mn, almost 28mn vaccine doses administered since mid-Jan. Around 12 mn people have received both doses. Vaccine supply remains an issue.	The government approved one-time payments (worth between TRY 3,000-5000) to some small businesses to help them deal with the financial repercussions of the pandemic.	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 badly needs to attract foreign tourists.	Medium – Turkey recently signed a deal with BioNTech/Pfizer for the delivery of 60mn vaccines by the end of Sep, with an option for an additional 30mn.	A failure to contain a scandal triggered by the release of a series of videos by a mobster could see it grow into the biggest political crisis that President Tayyip Erdogan has faced as president.
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, 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	Concern about efficacy of vaccination-related outreach to population with migration background.	Pause on J&J means there are not enough supplies to meet mid-Aug 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 dose for every adult has been pushed back to 5 Sep after J&J vaccine pause.
Nigeria	Stage 4 of the 'eased lockdown' entered into effect on 11 May. Essentially reinforces measures in place since 4 Sep 2020.	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, lengthy lockdown failed to limit Covid-19 spread. Mar 2021 tightening of restrictions amid second wave. Restrictions returned to their strictest level end-May with gov saying intermittent lockdowns will be highly likely over coming months.	Vaccine rollout underway, but heavily reliant on Sputnik V and deliveries are behind schedule. As of 24 May, 11.1mn doses have been administered representing 24.8% of the population.	7.3% 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 but remains under pressure. 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. 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.
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 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; 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 lockdown measures, are fueling opposition.	Speed of vaccine deliveries and rollout as third wave expected. Vaccine efficacy against variants.

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