

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.

Please click on 'View PDF' below to see the table

[Client Portal >>](#)

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.	172.8mn Americans have received at least one vaccine dose, and over 142.1mn are fully vaccinated. Just over 1mn new first doses are being administered per day.	Congress continues to focus on infrastructure as the White House and GOP lawmakers negotiate on a compromise infrastructure package.	Medium – Most states have health system capacity, but tracing and testing is shaky. Reopening accelerates as more Americans are vaccinated, despite vaccination rates leveling off.	Medium – Democrats have narrow majorities in the House and Senate, potentially limiting landmark legislation.	Lawmakers focus on reaching an agreement on a major infrastructure package, Biden's FY 2022 budget request and appropriations, as current spending levels set to expire at the end of the fiscal year on 30 Sep.
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.	Recovery fund ratification is now complete and bonds can be issued. Formal approval of first national recovery plans expected next week.
China	Authorities imposed mass testing, travel restrictions, and selective lockdowns in response to Guangzhou outbreak.	845mn vaccines administered by 10 Jun (includes second doses). Goal to reach 40% fully vaccinated (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	A state of full emergency remains in place in 10 prefectures, including Tokyo and Osaka, until 21 June.	So far only 4% of the population has been fully vaccinated. Japan is now administering between 400-500k doses per day. The government is aiming to finish inoculating all citizens who want the vaccines by Nov.	Data released on 8 Jun indicated that the economy retreated by an annualized 3.9% in Q1, not as bad as the preliminary reading of an annualized 5.1% contraction, but still posting the first fall in three quarters.	Medium – Outside Hokkaido and Okinawa provinces, many indicators have improved to manageable levels. However, the pace of growth in the number of new infections resulting from the Delta coronavirus strain is accelerating.	Medium – The head of the main opposition Constitutional Democratic Party called for cancellation or postponement of the Olympic Games, citing an "extremely high risk" of an explosive outbreak if they went ahead.	Japan is considering implementing less strict coronavirus restrictions in areas including Tokyo and Osaka on 21 Jun when the state of emergency is lifted. The matter could be decided at a 17 Jun cabinet meeting.
Germany	Falling infection rates mean restrictions continue to be rolled back locally, based on local incidence values.	New Johnson & Johnson delays raise risks for vaccination campaign's progress during summer.	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.	Risk-based prioritization has ended, meaning that everyone can get vaccinated (depending on available supply).

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
Canada	Amid lower daily case counts and a sharp fall in deaths, reopening timelines are moving up in the country's most populous provinces of Ontario and Quebec.	National vaccination efforts continue to ramp up across the country with more provinces now administering second doses to the general population.	Real GDP declined by 0.8%, the first drop in a year, with 207,100 jobs lost in April, and 68,000 jobs lost in May.	High – Hospitalizations declined 18% and occupied ICU beds fell 21% over the past week. The number of active cases declined 34%.	Medium – The discovery of a mass grave site at a former catholic "Residential School" has sparked nationwide debate on reconciliation with First Nations.	61% of Canadians have received one vaccine dose, while the number of second doses is inching up at 7%.
India	As the surge recedes, lockdown has been relaxed in many provinces. Phase 3 vaccinations (18+) accelerating.	Government centralized vaccine procurement and supply; time extended between two jabs of Covaxin; export restrictions on some vaccines, Remdesivir; Sputnik V likely available end-Jun.	Economic data shows sharp GDP contraction. INR 500bn pharma and health sector package prioritizes lending to hospitals, oxygen suppliers; INR 30tn package in place to support tourism, small businesses, construction.	Medium – Hospital beds, ventilators, oxygen somewhat stable now. Oxygen use for non-medical reasons banned. Foreign aid pouring in. Vaccine supply remains an issue.	Medium – State governments largely support the federal regime, but criticism continues over low-income support. Low vaccine supply threatens to become a political issue.	Government told the Supreme Court the entire population will be vaccinated by end of year, which seems overly optimistic with only 3.4% fully vaccinated at present.
United Kingdom	Government is delaying 21 Jun reopening to 19 Jul due to Delta (Indian) variant.	Further speeding up vaccinations will be difficult if AstraZeneca is to be avoided among younger cohorts.	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; but vaccination record is very positive.	Medium – Government has large majority, but political contestation over government's crisis response.	Brexit-related tensions over Northern Ireland continue with the EU.
France	Four-stage exit from lockdown kicked off on 3 May. Next stage of lockdown exit, which will lead to removal of curfew, will kick in on 30 Jun.	Vaccines supplied by EU joint purchases. More than 45% of the population has received first dose. 12-18y old able to get appointment for vaccine from 15 June.	Long-term furlough scheme for specific firms. An additional EUR 15.5bn has been added to the 2021 budget to cover the extension of support mechanisms.	Medium – The number of cases, hospitalizations, and ICU patients are declining. Some small clusters of the Delta variant have been found in parts of the country.	Medium – Confidence in President Emmanuel Macron has continued to rise in recent weeks.	First round of regional elections to take place on 20 Jun. Macron's party to perform poorly.
Italy	Six more regions enter "white zone" as of 14 Jun. A total of 12 out of Italy's 20 regions will be white zones as of 14 Jun.	~23% of the total population has both vaccine doses, another 24% waiting for second jab. Vaccination appointments opened to everyone 16+ from 3 Jun.	New stimulus measures worth EUR 40bn approved on 20 May. Italy could receive EUR 25bn from the EU recovery fund as soon as next month.	Medium – The Rt reproduction number remained steady at 0.68 last week. The 7-day rolling average for daily deaths has fallen to 72.	Medium – Italy's evening curfew – which is not applicable in white zones – now starts from midnight as of 7 Jun, and will be scrapped completely on 21 Jun.	On 11 Jun the authorities announced the decision to restrict the use of the AstraZeneca vaccine to people over the age of 60.

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
Brazil	New shipments from Pfizer and Jansen. Pfizer vaccine now authorized for children above 12 years old.	26% of the population received first jab, 11.25% both jabs. Targeting at least 1 jab for the whole population by end of 2021.	Purchasing power decreased by 3% for formal and increased by 1% for informal workers in the year. New round of assistance expected for Aug, Sep.	Low – Public Health System occupation still above 90% in 12 states but below 80% in another 9.	Medium – President Bolsonaro gave speech at rally doubting utility of vaccines, social isolation, and mask-wearing and favoring chloroquine as pre-treatment.	Despite intensification of denialist narrative amid third wave, polls indicate Bolsonaro improved his situation vis-a-vis former president Lula in the race for the Oct 2022 presidential elections (losing by a smaller margin).
Russia	New infections increased to the highest level since Feb. Moscow, St. Petersburg and some other regions are reintroducing various restrictions.	As of 14 Jun, an estimated 18.5mn people (12.7% of population) received first dose, 14.3mn (9.8%) fully vaccinated. Vaccination campaign slow due to high vaccine skepticism.	Various measures taken/considered to limit rising prices of metals, timber, plastics, food products, etc. Preferential mortgage scheme to be extended until Jul 2022.	Medium – Authorities in key cities are expanding the number of beds available for Covid-19 patients. In early June, hospital bed occupancy in Moscow reached 70-75%.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	Rising infections could lead to additional and longer-lasting restrictions, particularly in Moscow.
South Korea	Seoul, Jeju, Daegu at 3 rd highest (Level 2); rest at 4th-highest (Level 1.5). Distancing rules remain until at least 4 Jul, restrictions on private gatherings and event capacity. Fully vaccinated exempt from 14-day isolation.	Goal is herd immunity (70% vax rate) by Nov. ~5.8% fully vaccinated, 23% received first dose. US J&J vaccine arrivals started 10 Jun, 2.6mn Pfizer to arrive by end-Jun, 20mn NOVAVAX scheduled to roll out in Sep.	Govt reviewing extra KRW 20-30tn budget (USD 18-28bn) to support vaccine rollout, vulnerable groups. 4th relief package approved 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 28.1% of cluster cases untraceable. Cluster infections continue, peaking on weekends.	Medium – Negative public reaction to slow vaccine rollout evident in ruling party losses in Seoul and Busan mayoral elections. Alliance-based vaccine partnership agreed at Moon-Biden summit advocated by both ruling and opposition parties.	Benchmark 14mn vaccinated by end-Jun looks possible, 36mn to receive first dose by Sept. Moon pledges USD 100mn to COVAX programs at G7.
Spain	Regional governments are still in control of pandemic management.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. 26% of population fully immunized. Goal to vaccinate 70% by end of summer.	Short-term employment scheme covering ~500,000 workers extended to 30 Sep. EUR 10bn package to support SMEs and the self-employed.	Medium – Nationwide cases, hospitalizations, and ICU patients continue to decline but slight uptick of cases in some regions.	Medium/Low – Government has given up on trying to coordinate the imposition of restrictions by regions during the summer.	A recent large protest against the planned pardons of secessionist politicians by the government is unlikely to lead PM Sanchez to change course.
Australia	Melbourne lockdown lifted from 10 Jun; some restrictions remain; mandatory vaccination for WA aged care workers from Aug.	WA has opened vaccinations to 30+ crowd from 10 Jun; Melbourne exploring incentives to combat vaccine hesitancy; businesses allowed to offer cash for vaccinated workers.	QLD Gov launched AUD 1.84bn jobs fund; NSW AUD 100 consumer spending vouchers extended to 31 Jul.	High – Federal Gov likely to build quarantine facility in WA; Melbourne non-urgent elective surgeries to resume shortly.	Medium - PM has suggested borders will remain shut indefinitely despite increasing vaccination rates; QLD Health Minister has said VIC non-essential travelers placing QLD at risk.	SA may close border to QLD and NSW; Australia and Singapore commit to travel bubble; international students to return to NSW within weeks.

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
Mexico	Easing of restrictions underway amid decline in cases since Apr. Official messaging often muddled and contradictory.	Contracts with Pfizer (34mn doses); AZ (77.4mn); CanSino (max 35mn); Sputnik V (24mn); Sinovac (10mn); Sinopharm (12mn); COVAX. Delivery delays, but rollout accelerated in May-Jun.	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 unnecessary.	Low – Divisions between opposition state governors and central government; relations between President and the private sector and media subject to regular bouts of tension.	New cases continue to fall as over 35m doses have been administered as of 13 Jun. The government aims to have entire adult population inoculated by end Q1 2022.
Indonesia	Government shifted from provincial-level restrictions to micro-level measures at neighborhood level.	Second phase vaccine rollout includes active adults. But a slowdown in AZ supplies from India has led to volatile vaccination rates. Jakarta is opening vaccination to all adults.	~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, 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	Authorities announced proof of vaccination will be required to engage in most public events and activities and use public transport, from 1 Aug.	Around 15.4mn vaccines administered. Vaccination to be required for all employees in public and private sector and mandatory from 1 Aug for employees to enter workplace.	The World Bank raised its forecast for growth in Saudi Arabia's economy to 2.4% in 2021 compared with its previous forecast of 2%, and 3.3% in 2022 compared to 2.2%.	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 announced on 12 Jun that this year's hajj pilgrimage, which begins in mid-Jul, will be limited to 60k vaccinated people from within the kingdom because of the pandemic.
Turkey	Gradual lifting of lockdown restrictions started on 17 May. As of 31 May, nationwide daily curfews have been pushed back by an hour to 10pm.	With a population of 83.6mn, around 33.7mn vaccine doses administered since mid-Jan. Around 13.7mn people have received both doses.	The central bank had agreed with China to increase an existing currency swap facility to USD 6bn from USD 2.4bn. Excluding swaps with state banks, the central bank's FX reserves are deeply negative, official data show.	Medium – The pace of the vaccination rollout has increased thanks to more adequate supply of vaccines. Around 450-500k jabs are administered daily.	Medium – President Erdogan is at his weakest point in his almost 20-year tenure in office. The popularity of Erdogan and his AKP is at its lowest level.	President Tayyip Erdogan to meet US President Joe Biden on 14 Jun during a NATO summit in Brussels. The meeting is not likely to deliver a "reset" in Turkey-US ties. No meaningful deliverables are expected.
Thailand	Color-coded system signals threat level in provinces. Government has been tightening business restrictions to prevent spread of variants.	Vaccine rollout started with Sinovac, now broader AZ rollout has begun but faces supply-constraints. Thailand to explore new orders and liberalize private importation.	New USD 4.5bn stimulus for Jul implementation approved to spur consumption. An additional USD 14bn borrowing program has also been approved.	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 could trigger tighter restrictions.

	Measures to contain outbreaks	Vaccination strategy	Economic response	Public health system capacity	Political consensus	Signposts
Sweden	Restrictions on Nordic travelers are being lifted, but overall entry ban persists.	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.	Relaxation of restrictive measures going ahead despite still high infection rate.
Nigeria	Stage 4 of eased lockdown began 11 May, essentially reinforcing measures in place since 4 Sep 2020.	Vaccinate 40% of population in 2021, 70% by end-2022. Government expects 58mn doses from COVAX (16mn), 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 easing economic grievances but could be impacted by rising cases. Mistrust of state institutions, particularly in the majority Muslim north, could affect vaccine rollout.	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, intermittent lockdowns highly likely in coming months.	Vaccine rollout underway, but heavily reliant on Sputnik V, and deliveries behind schedule. As of 6 Jun, 14mn doses have been administered representing 31% 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.	The government is hoping for a ramp-up in vaccine deliveries over Jun-Jul, and for local production of the Sputnik V vaccine to make material difference. Caseload remains high though signs of decline in caseload as a result of restrictions imposed end-May.
South Africa	Amid onset of third wave, lockdown increased to Level 2 on 30 May, including nighttime 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 – Third wave and new variants emerging towards winter (Jun-Aug). Gauteng province particularly hard hit. Second wave severely strained public and even private health services.	Medium – Slow vaccine procurement and rollout, as well as corruption, are fueling opposition. Health Minister Zweli Mkhize suspended over corruption scandal.	Speed of vaccine deliveries and rollout amid third wave. Vaccine efficacy against variants.

For further information, please contact Teneo's Political Risk Unit at antonio.barroso@teneo.com

© 2021 Teneo. All rights reserved. This material was produced by Teneo for use solely by the recipient. This communication is intended as general background research and is not intended to constitute advice on any particular commercial investment or trade matter or issue and should not be relied upon for such purposes. The views expressed here represent opinions as of this date and are subject to change without notice. The information has been obtained from sources believed to be reliable but no guarantees can be given as to its accuracy, completeness or reliability. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or otherwise, without the prior consent of Teneo.