

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.	178.5mn Americans have received at least one vaccine dose, and over 151.6mn are fully vaccinated. Just over 0.74mn new first doses are being administered per day.	Congress this week focuses on appropriations, while the White House and lawmakers work to finalize an infrastructure package following last week's bipartisan agreement.	Medium – Most states have health system capacity, but tracing and testing is shaky. Reopening is accelerating 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 are focused on reaching an agreement on a major infrastructure package and on FY 2022 appropriations packages before current spending levels expire 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.	Commission President is travelling to European capitals to sign off on national recovery programs.
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	The state of emergency in nine prefectures was lifted on 20 Jun but "quasi-emergency" measures remain in place in seven of them, including Tokyo, until 11 Jul.	So far less than 20% of the total population has received either one jab or is fully vaccinated. The government is racing to vaccinate all 36mn senior citizens by end Jul.	The economy retreated by an annualized 3.9% in Q1. On 18 Jun, the Bank of Japan launched a scheme to provide funds to financial institutions that increase loans and investment for activities aimed at combatting climate change.	Medium – The rolling 7-day average of daily cases is around 1,500. It was above 7,000 in early May. Signs of another infection rebound in Tokyo and Okinawa are beginning to emerge.	Medium – A growing chorus of voices from medical associations to business leaders, including the heads of Rakuten and SoftBank, have been calling for the Olympics to be postponed again, or outright cancelled.	With less than a month left until the Olympics opening ceremony, organizers announced on 21 Jun that spectators during the games will be limited to 10k fans per venue. Foreign spectators have been barred from attending the Games.
Germany	Falling infection rates mean restrictions continue to be rolled back locally, based on local incidence values.	New J&J 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.	Fiscal policy will play a key role in the campaign, as CDU/CSU promise return to "black zero".

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Canada	While Canada has surpassed many vaccination objectives, Canada's Public Health agency remains cautious in unveiling its reopening strategy.	Over 80% of Canadians have now received a first dose, and over 25% are fully vaccinated.	Statistics Canada said retail sales fell 5.75% to CAD 54.8bn in April, the largest decline since April 2020 during the pandemic's first wave; this is a result of govts dealing with a third wave.	High – ICUs across the country continue to empty out while cases and daily death tolls drop. Non-essential surgeries are resuming, following months of delays during previous pandemic waves.	Medium – With federal elections imminent, the makeshift alliance between the Minority Liberal govt and two Opposition parties is being tested by the Conservative party following the passing of an Internet Rights Bill.	Over a quarter of the population is fully vaccinated and over 80% partially vaccinated.
India	As the surge recedes, lockdown has been relaxed in many provinces. Phase 3 vaccinations (18+) are accelerating. Micro-containment zones created to limit spread.	Government centralized vaccine procurement and supply; time extended between two jabs of Covaxin; export restrictions on some vaccines, Remdesivir. Task force studying option to mix vaccine doses to speed up program.	GDP growth under pressure. INR 500bn pharma/health sector package; INR 30tn package to support small businesses, tourism, construction. Spending on health infrastructure a priority over compensation to families for Covid-19 deaths.	Medium – Hospital beds, ventilators, oxygen somewhat stable now. Oxygen use for non-medical reasons banned. Foreign aid pouring in. Vaccine supply remains an issue, but centralization of pandemic management has reduced waste.	Medium – State governments largely support the federal regime, but criticism continues over low-income support. Opposition Congress Party is warning of inadequate preparedness for third wave.	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. Prediction that a third wave will hit in 2-6 weeks.
United Kingdom	Government is hopeful that delayed 19 Jul reopening can go ahead.	Further expediting vaccination efforts 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 – Govt has large majority, but political contestation over govt's crisis response.	New health secretary promises there will be "no way back" after the end of current restrictions.
France	Four-stage exit from lockdown kicked off on 3 May.	Vaccines supplied by EU joint purchases. Around half of the population has received first dose. Recent drop in vaccination appointments.	Long-term furlough scheme for specific firms. An additional EUR 15.5bn added to the 2021 budget to cover extension of support mechanisms until end-Aug.	Medium – The number of cases, hospitalizations, and ICU patients are declining. However, Delta variant spreading (10% of all new cases).	Medium – Confidence in President Emmanuel Macron has continued to rise in recent weeks, but another surge in cases would create serious blowback.	A further lifting of restrictions will kick in on 30 Jun. Nightclubs to reopen on 9 Jul with some capacity limitations.
Italy	As of 28 Jun, all regions are "white zones," meaning most curbs can be relaxed. Outdoor mask-wearing rules also eased in 'white' zones from the same day.	~28.6% of the total population has both vaccine doses, another 26.4% waiting for second jab. Vaccination appointments opened to everyone 16+ from 3 Jun.	Italy's national recovery plan was approved by the EC on 22 Jun. Rome could receive an early tranche worth around EUR 25bn as soon as next month.	Medium – The Delta and Kappa coronavirus variants have surged in the past month, accounting for nearly 17% of total new Covid-19 cases.	Medium – While verifications have been ongoing regarding the use of the AZ vaccine and thrombosis risk, Rome has now authorized a mix of vaccines for the second dose.	Rome is mulling extending a ban on dismissals past its 30 Jun deadline but only in sectors considered particularly fragile. The cabinet will discuss the matter on 28 Jun.

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Brazil	Highest number of infections in one day at 114,139 on 23 Jun. On 27 Jun, lowest number of deaths.	31.9% of the population received first jab, 11.9% both jabs. Additional 44mn doses to be delivered in Jul.	FDI recovery. Government proposes income tax reduction but alienates markets with higher rates for dividends.	Low – Public Health System occupation still above 90% in 6 states; below 80% in another 12.	Medium – President's ally reveals he knew of corruption on vaccine purchases in health ministry and did nothing to stop it.	Amid lowering popularity and electoral ratings, Bolsonaro now faces possibility of prevarication charges reaching the Supreme Court.
Russia	Seven-day average of new infections rose above 18,000 – highest level since Jan. Multiple regions/cities are tightening restrictions. Travel restrictions to/from Russia likely.	As of 28 Jun, an estimated 21.8mn people (14.9% of population) received first dose, 17mn (11.6%) are fully vaccinated. Compulsory vaccination in multiple regions is accelerating the rate of immunizations.	New 15% tariff on metal exports between 1 Aug and 31 Dec. Government allocated RUB 46.6bn (USD 650mn) to provide benefits for pregnant women and single parents starting 1 Jul.	Low – Public health facilities are struggling to cope with record inflow of Covid-19 patients. As of 23 Jun, 130K people hospitalized and only 15% of hospital beds were free. Regular medical services are restricted.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	Delta plus strain potentially detected in Russia. Putin to comment on the pandemic and mandatory vaccinations during the traditional Q&A show on 30 Jun.
South Korea	3 provinces now at lowest level social distancing; Seoul, Jeju, Daegu at 3 rd highest (Level 2); many still at 4 th -highest (Level 1.5). Some gradual reopening from 1 Jul. Travel advisory for overseas travel until 15 Jul.	8% fully vaccinated, 29.8% have first dose. 2.6mn Pfizer arriving end-Jun, 20mn NOVAVAX rolling out in Sep. Samsung and others to start in-house vaccination programs in Aug.	Govt reviewing extra KRW 30tn budget (USD 18-28bn) to submit to parliament early Jul; plans to issue gov't bond in Jul to finance spending. Gov't targeting support to virus-hit small businesses, tourism, and restaurants.	High – ICU capacity remains stable. Capacity to test, trace, isolate is robust. Cluster infections continue with two-week highs of over 600 daily new cases as variant cases increase.	Medium – Moon's approval at 40% as satisfaction with Covid-19 response grows. Gov't opposes ruling DP plans for universal Covid-19 aid, prefers to support bottom 70% with cash-back program. Public disapproval of gov't/DP plans to support DPRK with vaccines.	Gov't aims for 36mn (70%) to receive first dose by end-Sep, commits USD 100mn to COVAX for 2021-2022. SK Bioscience expanding vaccine production capacity to 2024, and gov't strengthening support for phase 3 trials of homegrown vaccines by year end.
Spain	Regional governments are still in control of pandemic management.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. 35% 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 – Continued clashes between central government and regions regarding the management of the pandemic.	Visitors from the UK will be required to show negative PCR or proof of full vaccination to enter the country from 2 Jul. However, the imposition of quarantines remains unlikely.
Australia	Greater Sydney in two-week lockdown until 9 Jul; NT in five-day lockdown until 2 Jul; WA, QLD and ACT have introduced some restrictions.	7.4mn Australians have received at least one vaccine dose and over 832k are fully vaccinated; TGA grants provisional approval for Moderna.	NSW workers impacted by lockdown to receive AUD 500 disaster payments from 1 Jul.	High – PM approves purpose-built quarantine facilities in QLD and WA.	Medium – PM has urged state leaders to reconsider travel exemptions for vaccinated people, defends Sydney lockdown; VIC Premier has said vaccine rollout needs greater Fed Gov't attention.	Greater Sydney lockdown may be extended; PM has called emergency national cabinet meeting to discuss Covid-19 outbreaks.

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Mexico	Restrictions eased amid decline in cases since Apr. Authorities reluctant to re-impose restrictions as caseload creeps back up in Jun. 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.	Caseloads continue to creep back up after 4-month hiatus. Over 43m vaccine doses have been administered as of 27 Jun, with 15% of population fully vaccinated. 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 vaccinations 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 of public transport from 1 Aug.	Over 17mn doses administered, second doses begin for 50+ yos, 12-18 yos to begin receiving Pfizer. Vaccines mandatory from 1 Aug to enter workplace. KSA adopted possibility of two different vaccines for each dose.	As the non-oil economy is already rebounding and the oil economy is expected to accelerate from H2 2021, the Kingdom's GDP is projected to grow by 2.9% in 2021 and by 5% in 2022.	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 that this year's hajj pilgrimage, which begins in mid Jul, will be limited to 60,000 vaccinated people from within the kingdom because of the pandemic.
Turkey	As of 1 Jul, all curfews and intercity travel restrictions will be lifted as workplaces and businesses, which have halted their services as part of curbs, will reopen.	With a population of 83.6mn, around 47.8mn vaccine doses administered since mid-Jan. Around 15mn people have received both doses.	The faster pace of the vaccination program has helped raise forecasts for economic recovery following a full lockdown in May. Full-year economic growth is now expected to surpass 6.5%.	Medium – Turkey sharply accelerated vaccinations last week, delivering more than 1mn a day since 14 Jun.	Low – 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.	Turkey's central bank may secure additional financing from Qatar as it seeks currency swap deals with foreign counterparties. An existing swap line with Qatar, which totals USD 15bn, may be increased to USD 20bn.
Thailand	Color-coded system signals threat level in provinces. Govt 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 approved for Jul to spur consumption. An additional USD 14bn borrowing program also has 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 gov't seen as ineffective in other areas (economy); consequently, there may be more focus on growth.	Gov't is attempting to contain the worst spike since the pandemic's start, and a sustained increase in new cases could trigger tighter restrictions.

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Sweden	Restrictions on Nordic travelers are being lifted, but overall entry ban persists.	More than 50% of population have received one jab, allowing many restrictions to be lifted.	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.	Medium – Minority government lost parliamentary support amid increasing political fragmentation.	PM Lofven has resigned to avoid snap polls but might still return at the helm of a new govt.
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 27 Jun, 20mn doses have been administered representing 44% 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 because of restrictions imposed in late May.
South Africa	Amid third wave, lockdown increased to level 4 on 27 Jun, including extended nighttime curfew, ban 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 intensifying during winter (Jun-Aug). Health services strained, particularly in Gauteng province. Military medics drafted for support.	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.

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