

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.	183.5mn Americans have received at least one vaccine dose, and over 158.6mn are fully vaccinated. Just over 0.59mn new first doses are being administered per day.	Congress focused on spending bills this week, while committees also continue to work on drafting language for an infrastructure package and a reconciliation bill.	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 are operational, but national entry regimes for vaccinated travelers continue to differ.	More than 500mn doses have been distributed to member states, enough for 70% of adult population to be vaccinated by Sep.	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.	"Fit for 55" legislative proposals are the next major iteration in the EU's quest for a "green recovery".
China	Outbreak in Guangzhou in June was successfully contained with targeted travel restrictions and lockdowns. Most restrictions are now lifted.	1.34bn vaccines administered by 7 Jul (includes second doses). Goal to fully vaccinate 64% by end-2021. Booster shots may be necessary to increase efficacy.	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.	Government expected to keep most travel restrictions in place through at least mid-2022 to prevent outbreaks around the Beijing Olympics and the Party Congress.
Japan	A quasi-state of emergency in Tokyo and three nearby prefectures was extended from 12 Jul to 22 Aug.	Some large municipalities have stopped taking new reservations for vaccinations in the latest hiccup for the country's effort to vaccinate its people. Only 17% of the population has been fully vaccinated	Services sector activity shrank for the 17th straight month in Jun as the coronavirus dampened demand at home and abroad, underscoring sluggish momentum for the world's third-largest economy.	Medium – New coronavirus cases are rising and occupancy rates for hospital beds remain high across several prefectures.	Medium – Lawmakers from Prime Minister Yoshihide Suga's Liberal Democratic Party have escalated calls for a new relief package, saying an extra budget of around USD 270bn is needed.	All spectators -- domestic and foreign -- have been banned from Olympic venues in Tokyo during Games to reduce risk of infection. A decision on spectators at venues in areas where emergency measures are not in force will be determined by local government authorities.
Germany	As the decline in infection rates has reversed, public debate is focused on schools after the summer holidays.	Pace of vaccinations continues to create debate as race against Delta variant continues.	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	Provinces accelerate their reopening plans as cases plummet and vaccinations continue to rise rapidly.	Close to 45% of Canadians have received both Covid-19 vaccine doses, while single dose figures appear to stagnate.	The Canadian government announced a plan to build a new high frequency rail line connecting Quebec City to Toronto. The economic stimulus marks the most recent announcement in the gov't's massive infrastructure plan.	High – Provinces are observing their lowest hospitalization rates since the first weeks of the pandemic in 2020.	Medium – While Federal party leaders begin their “pre-election” campaign tours, many are calling on government to delay elections until a reopening plan is released.	Daily case tallies continue their steady decline with average daily cases over the past week lower than 500.
India	Lockdown has been relaxed in many provinces as surge recedes. Phase 3 vaccinations (18+) are accelerating though targets yet to be met. Government warning vacationers as summer travel begins.	Govt centralized vaccine procurement and supply; extended time between two jabs of Covaxin; export restrictions on some vaccines, Remdesivir. Task force studying option to mix vaccine doses to speed up program.	Pressure on GDP growth, but robust trade growth. INR 500bn pharma/health sector package; INR 30tn package to support small businesses, tourism, construction; gov't prioritizing health infra spending and credit to small businesses.	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 that the entire population will be vaccinated by end of year, which seems overly optimistic with only around 4% fully vaccinated at present. Prediction that a third wave will hit in the coming weeks.
United Kingdom	19 Jul reopening will go ahead, but questions remain given steep increase in cases.	Further expediting vaccination efforts will be difficult if AZ 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 gov't'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. More than half of the population has received first dose. Govt making vaccination compulsory for healthcare workers.	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. Additional extensions possible.	Medium – Cases on the rise, even if hospitalizations and deaths due to Covid-19 remain low. Delta variant spreading (>40% of all new cases).	Medium – Willingness of population to fully comply with restrictions seems to be declining according to opinion polls but willingness to get vaccinated on the rise.	Localized restrictions could be re-introduced in the coming days if significant clusters emerge in some regions.
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.	~40% of the total population fully vaccinated, another 23% waiting for second jab. Vaccination appointments opened to everyone 16+ from 3 Jun.	The economy is estimated to have grown by around 2% in Q2 from the previous three months. Rome believes that full year GDP growth would come in at 5% or higher.	Medium – Due to the growing spread of the Delta variant, the infection rate is rising after 15 weeks of falling figures.	Medium – A contentious plan to speed up Italy's chronically slow justice system was approved by the cabinet last week.	A ban on layoffs was not renewed when it expired on 30 Jun, except for workers in sectors hardest-hit by Covid-19 lockdowns. For workers in textiles, shoemaking, and fashion, the ban will continue through Oct.

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Brazil	Weekly moving average of deaths reduced by 20%, and new cases by 33%, the lowest since Feb.	32.7% of the population received first jab, 14.4% both jabs. Additional 44mn doses to be delivered in Jul.	Growth now at 5.3%, inflation above 6% and interest rates above 6.5% for 2021.	Low – Public Health System occupation above 90% in only 1 state; below 80% in another 23.	Medium – Polls show highest dissatisfaction ever of the president (59%), with 54% now in favor of impeachment.	More than 123 requests for impeachment but House Speaker refuses to launch a proceeding. Most of the population in favor for the first time.
Russia	Infections still surging, approaching record highs. Death rate at all-time high. Restrictions vary across regions. Nationwide lockdown unlikely.	As of 12 Jun, 28.8mn people (19.7% of population) received first dose, 19.1mn (13.1%) fully vaccinated. Compulsory vaccination in multiple regions. Govt to raise immunization target to 80-90%.	To raise budget revenue during 2022-2024, govt mulling a raise in pension premiums for high earners, expansion in property tax, higher excise tax rate on alcohol, and new tax on sugary drinks.	Low – Public health facilities are struggling to cope with record inflow of Covid-19 patients.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	The third wave appears to be approaching its peak in Moscow.
South Korea	3 provinces now at lowest level social distancing; Seoul, Jeju, Daegu at 3 rd highest (Level 2). Some gradual reopening from 1 Jul. Travel advisory for overseas travel until 15 Jul. Fully vaccinated visitors skip quarantine.	11% of the population is fully vaccinated, 30.4% received a first dose. Samsung and others to start in-house vaccination programs in Aug, high schools to vaccinate from 18 Jul, younger age group schools from 28 Jul. Military providing 2 nd dose to troops under 30.	Signs of economic rebound. KRW 33tn (USD 29.2bn) relief package for bottom 80% income bracket. Parliament approves measures to compensate business owners who suffered losses from state restrictions. Plans for KRW 13.6tn (USD 12bn) govt bonds in Aug.	High – ICU capacity remains stable. Capacity to test, trace, isolate is robust. Cluster infections continue with new cases at 6-month high and greater Seoul accounting for over 80% of new clusters.	Medium – Moon's approval at 40% as satisfaction with Covid-19 response grows. Govt/ruling party in favor of supporting DPRK with vaccines despite 51% public disapproval.	Govt aims for 36mn (70%) to receive first dose by end-Sep. Letter of intent to develop and produce vaccines with Denmark. "Travel bubble" deal with Saipan to exempt fully vaccinated from quarantine. 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. >58% of population fully immunized. Goal to vaccinate 70% by end of summer.	Short-term employment scheme covering ~500,000 workers extended to 30 Sep. Govt working on permanent furlough mechanism. EUR 10bn package to support SMEs and the self-employed.	Medium – Cases on the rise as Delta variant spreads, but number of deaths due to Covid-19 continue to be low.	Medium/Low – Absence of state of emergency generates legal uncertainty, as courts must validate every measure adopted by regions to contain rise in cases.	Several regional governments will probably re-introduce some restrictions (e.g., curfews) in the coming days to contain the recent surge in cases.
Australia	Greater Sydney lockdown restrictions tightened; VIC & SA have closed border with NSW and ACT.	35.3% of Australians have received at least one vaccine dose and 8.97% are fully vaccinated; PM has brought forward 4.5mn doses of Pfizer vaccine from Sep to Aug.	WA announced AUD 41.5mn grant for businesses impacted by latest lockdown; Federal Govt has eased eligibility requirement for AUD 500 disaster payments in NSW; NSW expanded business relief package available from 19 Jul.	High – NSW hospitalizations and ICU patients continue to rise; Federal Govt has launched revamped ad campaign to combat vaccine hesitancy.	Medium – Federal Opposition Leader has asked PM to leverage friendship with US for more Pfizer doses.	Greater Sydney lockdown likely to be extended beyond 16 Jul; NSW Premier has said more financial assistance from Federal Govt is 'imminent'.

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Mexico	Restrictions eased amid decline in cases since Apr. Authorities reluctant to re-impose restrictions as caseload creeps back. Official messaging often muddled and contradictory.	Contracts with Pfizer (34mn doses); AZ (77.4mn); CanSino (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 govt 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 47.2m vaccine doses have been administered with 15.4% of population fully vaccinated. The government aims to have entire adult population inoculated by end Q1 2022.
Indonesia	Govt introducing community-based emergency movement restrictions across Java and Bali, and regions with 65%+ hospital bed utilization and <50% vaccination rate.	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	New regulations and fines in place to limit Covid-19 spread during Hajj pilgrimage season from 17-22 July. Proof of vaccination required for many public events and activities from 1 Aug.	Over 20mn doses of vaccines administered so far -- enough to have fully vaccinated about 30% of the country's population. Kingdom approved use of Moderna vaccine on 9 July.	The economy is expected to grow by 2.4% this year and by 4.8% in 2022, the IMF said on 8 Jul. USD 133bn infrastructure investments planned to 2030 to support economic diversification.	Medium – New cases remain below 1,200 with highest numbers reported in Riyadh. Regular testing available, and clinics offer treatment and advice to those with symptoms.	High – The government has aggressively suppressed dissident voices, and there is little opposition to its actions.	Flights suspended to UAE, Vietnam, and Ethiopia to protect against Delta variant. Outcome of latest OPEC+ oil production restraint talks to influence economic recovery. Support extended to Tunisia.
Turkey	As of 1 Jul, all the Covid-19 restrictions have been lifted. Few cases of the Delta variant identified so far.	With a population of 83.6mn, 37.6mn people have received their first doses, while nearly 17mn their second doses. To date, 60.5% of the country's adult population has received at least one vaccine dose.	The economy is expected to have grown around 20% in Q2 largely thanks to the so-called base effect due to a nearly 10% contraction in the Apr-Jun period of 2020. Full-year economic growth is now expected to surpass 6.5%.	Medium – Turkey has identified three cases of the new Delta Plus variant in three provinces while the separate Delta variant had also been identified in some 284 cases across 30 provinces.	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 has started to administer the third dose of a vaccine against Covid-19. Turkey has also lowered the eligibility age for the vaccine to 16.
Thailand	The government has reimposed restrictions banning gatherings and shutting down most commercial establishments, including an overnight curfew, to bring a major outbreak under control.	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 govt seen as ineffective in other areas (economy); consequently, there may be more focus on growth.	Govt 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 additional third-country 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.	After his resignation to avoid snap polls, PM Lofven is back 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 strictest level end-May then eased. Intermittent lockdowns highly likely in coming months.	Vaccine rollout started in Dec 2020 but has stuttered on occasion. Heavy reliance on Sputnik V, deliveries behind schedule. As of 12 Jul, more than 24.8mn doses administered representing 49% of the population. Moderna to supply 20mn doses in Q1 2022.	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 restrictions easing, economic impacts, and scandal over govt insiders receiving early vaccines. Tensions between Buenos Aires and provincial authorities.	Govt hoping ramp-up in vaccine deliveries in Jul and local production of Sputnik V will make material difference amid shortages of Sputnik V second doses. Government also hopes to finally secure Pfizer vaccines following resolution of regulatory difficulties.
South Africa	Amid third wave, fresh level 4 lockdown imposed from 27 Jun till 28 Jul, including nighttime curfew, ban on gatherings.	Plans to vaccinate 40mn people by Mar 2022. Rollout slow but accelerating. 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. Ballooning debt is forcing fiscal consolidation, but government under pressure to provide more social relief.	Low – First signs that current third wave has peaked. 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. Politically triggered unrest in Jul is disrupting vaccine rollout.	Speed of vaccine deliveries and rollout amid third wave. Prolonged protest-related vaccine disruptions. Any procurement from additional manufacturers (AZ, Sinovac, Sinopharm). Vaccine efficacy against variants.

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