

## 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
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.	Publication of rule of law report by European Commission might trigger new clashes between Brussels and Hungary.
China	Outbreak in Guangzhou in June was successfully contained with targeted travel restrictions and lockdowns. Most restrictions are now lifted.	1.43bn vaccines administered by 15 Jul (includes second doses), equal to 100% of the population. Goal to fully vaccinate 64% by end-2021. Booster shots may be necessary to increase efficacy.	Monetary and fiscal policy has tightened since the height of pandemic stimulus, 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.	Around 20% of the population is fully inoculated. Nearly 80% of the elderly in the country have received at least one shot of a vaccine so far, and more than half of them have been fully vaccinated with two shots.	Tokyo projects that economy will return to a pre-pandemic level later this year supported by accelerated vaccine rollout and strong recovery of the global economy. GDP is expected to grow by 3.7% in 2021.	Medium – New Covid-19 cases are rising and occupancy rates for hospital beds remain high across several prefectures.	Medium – Akira Amari, a leading LDP leader in the semiconductor policy group, said that Japan is vulnerable to foreign activist investors buying sensitive technology companies such as Toshiba.	Japan will launch a system to allocate extra doses to the most vaccine-starved municipalities as it seeks to rectify the ongoing shortage of Pfizer shots, which has thwarted some local governments' rollout efforts.
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.	Federal government will support areas affected by floods with major financial support package.
Canada	Provinces move to launch vaccination prizes and lotteries as vaccine rates stagnate.	Close to 50% of Canadians have received their two Covid-19 vaccine doses, while single dose figures appear to stagnate.	Parliamentary Budget Office considering one-time tax on Canadians with more than CAD 10mn in net wealth to generate about CAD 60bn in new revenue.	High – Canada's major cities continue to see a steady downward trend in new cases and hospitalizations.	Medium – With the beginning of "pre-election" campaign tours, the minority Liberal gov't has seen steady growth in nationwide polling, widening the gap between them and the Conservatives.	Certain major Canadian cities are reporting single digit daily case tallies, for the first time since the beginning of the pandemic.

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India	Lockdown relaxed in many provinces as surge recedes. Phase 3 vaccinations (18+) are accelerating though targets yet to be met. Govt 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; govt 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 soon.
United Kingdom	19 Jul English reopening has gone ahead, but rising case load continues to pose questions.	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 govt's crisis response.	PM and his chancellor are in quarantine after contact with health secretary who tested positive.
France	Lockdown exit completed, but government could adopt new measures if required. "Health pass" required to participate in wide range of social activities.	Vaccines supplied by EU joint purchases. Around 40% of population has been fully immunized. Govt making vaccination compulsory for healthcare workers	Long-term furlough scheme for specific firms. Some support mechanisms expire end-Aug. Additional extensions possible. New investment plan in the works.	Medium – Cases on the rise, even if hospitalizations and deaths due to Covid-19 remain low.	Medium – Opinion polls show population supports Macron's tough approach to vaccination, which has nevertheless triggered protests across the country.	Draft law with the new measures to foster vaccinations to be discussed and voted on in the National Assembly on 21 Jul. Full parliamentary approval before end-July likely.
Italy	As of 28 Jun, all regions are "white zones," meaning most curbs were relaxed.	Italy on 16 Jul crossed the mark of having administered 60mn vaccines. Around 49% of the population over 12 is fully vaccinated	Bank of Italy forecasts the economy will grow by 5.1% this year and 4.4% in 2022, posting a sustained recovery following the Covid- induced contraction of 8.9% last year.	Medium – The Covid-19 reproduction number and incidence rate have both increased over the past week. The new figures suggest a trend reversal.	Medium – A contentious plan to speed up Italy's chronically slow justice system was approved by the cabinet last week.	Rome is considering ways to extend the use of its 'green certificate' health pass to access indoor facilities and events, including domestic flights and long-distance trains.
Brazil	Weekly moving average of deaths reduced for third consecutive week but significant positivity rate.	42% of the population received first jab, 16% both jabs. Vaccinations scheduled for 12–18-year-olds with comorbidities.	Growth now at 5.3%, inflation above 6%, and interest rates above 7% for 2021.	Low – Public Health System occupation below 90% nationwide; 23 states below 80%.	Medium – House Speaker will not launch impeachment despite 126 requests for it.	Senate inquiry has shown govt shunned labs and favored intermediaries for irregular vaccine purchases. Evidence is strong but president shielded by head prosecutor and Congress.

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Russia	Third wave of pandemic nearing peak. Caseload stabilizing, but deaths still surging. Epidemiological situation improving in Moscow, which is easing restrictions.	As of 19 Jun, 32.2mn people (22% of population) received first dose, 20.8mn (14.2%) fully vaccinated. Compulsory vaccination for various groups of residents in 30+ regions.	Govt revised its 2021 GDP growth projection up to 3.8% from 2.9%.	Low – Public health facilities are struggling to cope with record inflow of Covid-19 patients. Only 18% of hospital bed capacity reserved for Covid-19 patients is available.	Medium/High - Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	In Moscow, businesses operating in retail, services and catering sectors are required to vaccinate 60% of their employees by 15 Aug. Flights will be resumed to the Czech Republic and France on 24 Jul.
South Korea	With emergence of more contagious Covid-19 variants, Seoul introduced toughest-yet restrictions last week. Travel advisory for overseas travel until 15 Jul. Fully vaccinated visitors skip quarantine.	11% of population 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 <sup>nd</sup> 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 govts still in control of pandemic management. Constitutional Court ruling invalidating last year's lockdown will only reinforce the status quo.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. Around 48% 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 now accounts for more than 60% of new infections, but number ICU patients and deaths still 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.	Four regions have already re-introduced temporary nighttime curfews.
Australia	Greater Sydney lockdown restrictions increased and extended to 30 Jul; VIC entered 5-day lockdown until 20 Jul; SA has introduced restrictions effective 20 Jul; QLD, SA & WA close border to VIC.	New Sydney CBD mass vaccination hub opened 19 Jul; federal govt expects 1mn Pfizer doses a week until late Aug.	Federal govt has committed to increase disaster payments for NSW citizens and additional payments for businesses; VIC businesses and workers impacted by lockdown will receive federal govt financial support.	High – NSW offers AZ to anyone aged 40 and older.	Medium – VIC Premier accused federal govt of 'double standards' for NSW financial support.	Greater Sydney lockdown may be extended beyond 30 Jul; VIC lockdown will be extended beyond 20 Jul.

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Mexico	Restrictions eased amid decline in cases since Apr. Authorities reluctant to re-impose restrictions as caseload rises. 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; govt 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. As of 15 Jul, 21.3mn people (41% of population over 18) fully vaccinated. The govt 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. Extended to 30 Jul.	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 – Govt has broad support for most pandemic, economic, and health policies, but labor is unhappy with some reforms.	Restrictions adjusted based on public and govt perceptions of risk and locations where cases are concentrated.
Saudi Arabia	Regulations/fines in place to limit Covid-19 spread during Hajj pilgrimage season from 17-22 Jul. Saudis required to have two Covid-19 vaccine doses before traveling outside country from 9 Aug.	KSA has administered >22mn doses. Around 41% of Saudis have received at least one dose, about 12% are fully vaccinated.	Economy recovering with slowdown in CPI inflation. IMF expects non-oil GDP growth of 4.3% in 2021 and 3.6% in 2022 led by private sector growth. USD 133bn infrastructure investments planned to 2030 to support economic diversification.	Medium – New daily cases back above 1,200. Regular testing available, and clinics offer treatment and advice to those with symptoms.	High – The govt has aggressively suppressed dissident voices, and there is little opposition to its actions.	Economic diversification initiatives aimed at boosting growth, but driving intra-regional tensions, especially with UAE.
Turkey	As of 1 Jul, all the Covid-19 restrictions have been lifted. Cases of the Delta variant have been identified in 30 provinces.	With a population of 83.6mn, 39mn people have received their first doses, while nearly 20.8mn their second doses. Over 62% of the total population has received one 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%.	Medium – Health experts warned that Delta variant cases, currently at a low level, may become the dominant strain after the upcoming religious holidays.	Low – The government could reduce the electoral threshold to 5% from 10%. The aim is to split the opposition and defuse international criticism of its democratic record.	Turkey has started to administer the third dose of a vaccine against Covid-19. Healthcare workers and those above 50 are eligible for the third shot.

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Thailand	The govt 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.
Sweden	Face masks are now no longer recommended by the government.	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 caused high case load.	Medium – Red-green minority government depends on outside support amid increasing 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 15 Jul, 26.4mn doses administered representing 58.8% 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 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, including CanSino doses over Jul and local production of Sputnik V, will make material difference amid shortages of Sputnik V second doses.
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. 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 and protests. Any procurement from additional manufacturers (AZ, Sinovac, Sinopharm). Vaccine efficacy against variants.

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