

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 on the rise. States and cities reinstating mask mandates. The federal govt, states, and companies are considering mandatory vaccinations for employees.	193.8mn Americans have received at least one vaccine dose, and over 165.9mn are fully vaccinated. Just over 694,000 new first doses are being administered per day.	Positive recent jobs and unemployment data. Final vote on bipartisan infrastructure deal expected early this week.	Medium – Hospitals' capacities are nearing their limit; Many states are reinstating mask requirements and slowing reopening measures.	Medium – In light of a bipartisan infrastructure deal being reached, the Biden administration has demonstrated its ability to govern and work across party lines.	If infrastructure deal passes, Dems will try next to pass their larger reconciliation package. Lawmakers also working to pass as many FY 2022 appropriations packages before passing a continuing resolution ahead of expiration of current spending levels 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.	Further national recovery plans have passed the Council of the EU, but Poland and Hungary's plans will not come back for debate before the autumn.
China	Nanjing outbreak, which has spread to at least 12 provinces, has sparked new travel restrictions, targeted lockdowns, and some factory closures.	1.74bn vaccines administered by 5 Aug (includes second doses). Goal to fully vaccinate 80% by end-2021. Chinese-made mRNA vaccine is entering phase 3 trials.	After plotting an exit from pandemic-related stimulus beginning in late 2020, the Politburo signaled on 30 Jul that policy will now gradually shift back towards loosening, amid signs of slowing growth.	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 early 2022, and possibly longer, to prevent outbreaks around the Beijing Olympics and the 20th Party Congress.
Japan	Expanded emergency restrictions on 8 Aug to eight more prefectures to fight a surge in cases. As a result, more than 70% of the population will be under some degree of curbs.	Only about 33% of the population has been fully inoculated – the lowest rate in the G7.	Preliminary GDP data will likely show the economy grew an annualized 0.7% in Apr-Jun, after a 3.9% slump in Q1.	Medium – The cumulative total of confirmed cases topped 1mn on 6 Aug amid a recent surge that has seen daily infections continue to set record highs. First case of the Lambda variant identified on 6 Aug.	Medium – The chances of survival of Japan's Prime Minister Yoshihide Suga are vanishing. His cabinet's support fell to 28%, the lowest figure since he took office.	Japan has begun a study on whether it should administer third doses of the Covid-19 vaccine next year.
Germany	Children older than 12 will be offered vaccines to help ensure safe return to schooling.	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.	Debate about new restrictions exclusively for non-vaccinated people.

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Canada	Among highest vaccination rates globally. Health officials urging unvaccinated and partially vaccinated Canadians to receive their two doses as they fear a fourth wave.	50.5mn doses administered as of 9 Aug: 72% have first dose; 62% fully vaccinated. Provinces highlight reopening plans and vaccination lotteries, while also threatening to return to lockdown in event of fourth wave.	Labor market continued recovery in Jul. Trudeau gov't injecting additional CAD 3.3bn until 23 Oct in business and personal assistance programs to help people through Covid-19-related economic hardships.	High – Despite growth in tally, hospitalizations and deaths remain on a downward trend with reduced pressure on healthcare capacity.	Medium – Election expected to be called in weeks. Business community concerned about lack of long-term growth plan by all parties, stagnation in productivity growth, and overactive housing market.	As of 9 Aug, fully vaccinated US citizens/permanent residents can enter Canada without quarantining. All other foreign, fully vaccinated travelers can enter from 7 Sep with no quarantine.
India	Lockdown relaxed in many provinces as surge recedes, but country on alert for third wave. Phase 3 vaccines accelerate for 18+, decision this week on vaccines for under 18-year-olds. Vacationers warned about summer travel.	Gov't centralized vaccine procurement and supply; extended time between two jabs of Covaxin; export restrictions on some vaccines, Remdesivir. Gov't likely to approve mixed vaccine doses to speed up program, but no boosters for now.	Pressure on GDP growth, but robust trade growth. INR 500bn pharma/health sector package; INR 30tn package to support small businesses, tourism, construction. Possible package to be approved for telecom sector.	Medium – Hospital beds, ventilators, oxygen stable. Vaccine supply remains an issue, but centralization of pandemic management has reduced waste. Gov't warns private hospitals to keep vaccination program pace.	Medium – State gov'ts largely support the federal regime. Third wave not ruled out.	Gov't told the Supreme Court that the entire population will be vaccinated by end of year, which seems overly optimistic with only around 28.8% partially vaccinated and 8.2% fully vaccinated.
United Kingdom	Daily new infections keep falling; double-jabbed people from EU and US are allowed to enter UK freely.	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 – Gov't has large majority, but political contestation over gov't's crisis response.	Scotland has followed England and lifted almost all remaining restrictions.
France	Lockdown exit completed, but gov't could adopt new measures if required. "Health pass" required to participate in wide range of social activities validated by constitutional court.	Vaccines supplied by EU joint purchases. Around 55% of population has been fully immunized. Gov't has made vaccination compulsory for healthcare workers.	Long-term furlough scheme for specific firms. Some support mechanisms expire end-Aug. Additional extensions possible. New EUR 20-30bn public investment plan in the works.	Medium – Hospitalizations and deaths on the rise but pace of new cases slowing down.	Medium – Around 230,000 people mobilized to protest health pass last weekend; public support for the protestors still at around 35-40%.	Economy Minister Bruno Le Maire to meet with businesses affected by health pass on 30 Aug.
Italy	A Covid-19 health pass (Green pass) became mandatory from 6 Aug to visit museums, attend live events, or dine indoors at a restaurant.	Around 57% of the population over 12 is fully vaccinated. Another 10% has received one dose.	Italy's economy grew by 2.7% in Q2 from the previous three months, a much larger jump than expected which boosts hopes for a firm economic rebound this year.	Medium – The Delta variant has gained dominance in the country, accounting for more than 90% of new cases.	Medium – The Five Star Movement has elected former Prime Minister Giuseppe Conte as its leader – a development that could partially affect the stability of the ruling coalition.	From 1 Sep, the "Green pass" will be mandatory for teachers and university students, and to travel on trains, planes, ferries and long-distance coaches.

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Brazil	Reduction of cases and deaths for 5th consecutive week. School return poses greatest risk for unvaccinated teenagers.	51% of the population received first jab, 22% both jabs. Sputnik vaccine purchases canceled in several states.	Growth now at 5.3%, inflation close to 7%, and interest rates above 7% for 2021.	Low – Public Health System occupation below 90% nationwide; 26 states below 80%, 19 states below 60%. Delta variant at 20% of the population.	Medium – Bolsonaro no longer interfering in vaccine purchases as he sees overall support in Congress wane.	Electoral court launched investigation of the president over his insistence on paper ballots. He'll lose that battle in a House plenary vote that should conclusively bury the idea.
Russia	Third wave of pandemic waning very slowly. Restrictions vary across the country. Most difficult situation in Tuva, Magadan, Komi, Astrachan, Krasnoyarsk, Sevastopol, and Samara regions.	As of 9 Aug, 38.6mn people (26.4% of population) received first dose, 27.7mn (19.0%) fully vaccinated. Belgorod, Pskov, Arkhangelsk, Ingushetia, Chechnya, and Samara regions lead in terms of vaccination.	Mineral extraction tax (MET) for the metals sector will increase in 2022 to mitigate surging metals prices on the domestic market, according to President Vladimir Putin.	Low – Public health facilities are struggling to cope with high number of Covid-19 patients, particularly in most affected regions. Epidemiological situation in key cities has improved notably since Jun.	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. Start of schoolyear in Sep could raise infection levels.
South Korea	Highest level 4 restrictions extended until 22 Aug for Seoul. Restrictions tightened across most of the country ahead of peak holiday travel; social distancing curbs extended by 2 weeks. 26 high-risk countries face mandatory quarantine on arrival even if vaccinated.	14.7% of population fully vaccinated, 40% received a first dose as of 5 Aug (targeting 70% before Nov). School vaccination programs underway and at some private companies too. 29mn vaccines to arrive in Aug, 42mn in Sep.	4 th wave increasing economic uncertainty as demand growth slows. Despite retail sales and exports gains, consumer sentiment fell in July. Country still targeting 4.2% growth for 2021. Extra USD 30.3bn budget (KRW 34.9tn) to shore up economy, cash handouts.	High – ICU capacity remains stable, but hospital bed capacity decreasing as number of critically ill rises. Approved virus treatments: Veklury (formerly Remdesivir) and homegrown treatment Regkirona. 2,109 variant cases in past week, nearly all Delta. Delta Plus cases emerging.	Medium – President Moon commits to curbing Covid-19 spread as major policy goal in remaining term. Ruling party presidential hopefuls stump about providing more govt handouts. Protests against tighter Covid-19 restrictions.	Finance minister announced extra support for domestic vaccine devlpt; KDCA to spend KRW 3.2tn (USD 3.12bn) of supplementary budget on purchase of vaccines and support for preventative measures. KRW 7.4bn (USD 6.4mn) to be spent on mRNA vaccine technology by 2024.
Spain	Regional govts still in control of pandemic management. Constitutional Court ruling invalidating last year's lockdown has reinforced this status quo.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. Around 60% of population fully immunized. Goal to vaccinate 70% by end-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 – Hospitalizations, and deaths due to Covid-19 on the rise, but new infections seem to have peaked.	Medium/Low – Regions and central govt unable to agree on imposition of health pass. Central govt. unlikely to adopt new measures to manage the pandemic.	Govt to push for several legislative initiatives after summer (e.g., pension reform, new foreclosure bill, potentially labor reform).

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Australia	VIC and regional NSW in lockdown through 12 August; north QLD in 3-day lockdown to 11 August; southeast QLD lockdown lifted on 8 August.	53.42% of Australians have received at least one vaccine dose and 18.11% are fully vaccinated; TGA has approved Moderna vaccine; 112k Pfizer doses brought forward to next week from September in QLD.	VIC govt has committed to additional financial support for small and medium businesses impacted by current lockdown.	High – NSW govt considering freedom incentives to combat vaccine hesitancy; VIC mass vaccination hubs to offer AZ to all adults and Australia's first drive-through vaccination hub to open in VIC.	Medium – VIC Premier has criticised NSW's partial lockdown strategy; WA Premier has criticised NSW Premier's warning of living with Delta variant.	VIC lockdown may be extended; first doses of Moderna expected to be rolled out in Sep.
Mexico	Restrictions eased amid decline in cases starting in Apr. But authorities reluctant to re-impose restrictions despite rise in cases since Jun. Official messaging often muddled and contradictory.	As of 8 Aug, 72.1mn vaccine doses have been administered; 27.4mn people (21.5% of population) fully vaccinated.	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; shortages of some medicines; govt believes wide-ranging testing unnecessary.	Low – Divisions between opposition state governors and central govt; relations between President and the private sector and media subject to regular bouts of tension.	Third wave continues as cases rise to heights not seen since Jan. Confusion over whether Mexico City is at "red" or "orange" level in govt's Covid-19 traffic light system. The govt aims to have entire adult population inoculated by end Q1 2022.
Indonesia	The government has extended community level restrictions in Java and Bali islands to 16 Aug, although commercial centers in those regions allowed to reopen.	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	Unvaccinated barred since 1 Aug from public and private venues, public transport. Two doses required to leave KSA from 9 Aug. Citizens from 49 countries can enter without quarantine with PCR or vaccine certificate (only for J&J, Pfizer, Moderna, AZ).	Refusal to get vaccinated deemed "gross misconduct" that can justify dismissal from job without notice. Nearly 30mn doses administered as of 9 Aug: 58% of Saudis received at least one dose, 29% fully vaccinated.	First growth since pandemic in Q2 (1.5% on Q2 2020) fueled by 10%+ growth in non-oil sector. Faster expansion expected 2H 2020 with oil sector benefiting from higher output. IMF expects 2.4% growth for 2021 (could be higher pending Covid-19 restrictions, oil recovery).	Medium – New daily cases around 800. 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.	KSA to begin receiving umrah pilgrimage requests for vaccinated individuals from 9 Aug (after 1.5-year pause). Economic diversification initiatives aimed at boosting growth, but driving intra-regional tensions, especially with UAE.

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Turkey	Daily infections have surged in recent weeks from a low of 4k on 4 Jul to around 22k last week, but Ankara does not plan to impose restrictions yet.	Turkey has vaccinated significantly fewer citizens than European average. Around 26mn people have been fully vaccinated, corresponding to more than 42% of the population aged 18 and over.	The economy is expected to have grown around 20% in Q2 thanks largely to the so-called base effect following a nearly 10% contraction in Apr-Jun of 2020. Full-year economic growth now expected to surpass 6%.	Medium – Health experts have warned that a fourth wave is in progress due to the Delta variant. Vaccine hesitancy remains an issue, especially in Eastern regions.	Low – Ankara announced that it will soon “regulate” foreign-funded media outlets and require them to submit a detailed report on their activities every six months. Critics say it is a last-ditch attempt to kill independent media outlets.	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.
Thailand	Govt extending restrictions to 17 Aug, banning gatherings and shutting down most commercial establishments, including an overnight curfew, to bring a major outbreak under control. The restrictions cover about 40% of the population and 70% of the economy.	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 Thailand returning from neighboring countries seem to be source of outbreaks.	Medium – Policy is accepted but gov 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 govt.	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.	Small cash incentives to motivate people to get vaccinated.
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. Govt 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 govt’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.

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Argentina	Strict, lengthy lockdown failed to limit Covid-19 spread in 2020. Intermittent lockdowns and easing have followed. As of 9 Aug, restrictions in process of being lifted.	Vaccine rollout started in Dec 2020 but has stuttered at times. Heavy reliance on Sputnik V, deliveries behind schedule. As of 9 Aug, 34.6mn doses administered; 8.6mn people (19% of population) fully vaccinated.	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 has shown strains at peak times. Testing rates remain relatively low.	Medium – Presidential authority boosted by early action but eroded by slow easing of restrictions, economic impacts, and scandal over govt insiders receiving early vaccines. Tensions between Buenos Aires and provincial authorities.	Govt in early Aug announced easing of restrictions in time for Sep-Nov electoral cycle, though spread of Delta variant could alter easing plans.
South Africa	Lockdown measures eased to Level 3 on 25 Jul, including nighttime curfew, limited gatherings, limited alcohol sales.	As of 9 Aug, 8mn doses administered: 11% of population have received first dose, 5.7% are fully vaccinated. Plans to vaccinate 35mn by end-2021 and 40mn by Mar 2022. Rollout delayed but accelerating.	Feb budget targets vaccines, limited Covid-19 grants, and infrastructure. Ballooning debt is forcing fiscal consolidation, but additional relief announced on 25 Jul.	Low – First signs that current third wave has peaked. Health services strained.	Medium – Slow vaccine procurement and rollout and corruption are fueling opposition. Politically triggered unrest in Jul briefly disrupted vaccine rollout.	Speed of vaccine rollout amid third wave and unrest. Any procurement from additional manufacturers (AZ, Sinovac, Sinopharm). Vaccine efficacy against variants.

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