

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	CDC reports high transmission rates and nearly all new cases resulting from the Delta variant. States, cities, and the federal govt are reinstating mask mandates; some considering vaccine mandate due to Delta variant.	204.7mn Americans have received at least one vaccine dose, over 173.8mn are fully vaccinated. 898,000 new first doses are being administered a day.	The House passed the Senate-approved bipartisan USD 3.5tn budget request, with committees drafting the bill's language over the next few weeks.	Medium – Hospital capacities are nearing their limit. Many states are reinstating mask requirements and slowing reopening measures.	Medium – In light of the bipartisan infrastructure legislation's passage in the Senate, the Biden administration has demonstrated its ability to govern and work across party lines.	The House is marking up budget reconciliation language in committees, and the chamber is expected to vote on the Senate-approved infrastructure package by 27 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.	Council of the EU has recommended member states to reimpose travel restrictions on individuals coming from the United States.
China	Nanjing outbreak is contained, enabling authorities to ease most lockdowns and travel restrictions.	62% of population fully vaccinated as of 26 Aug. Top govt scientist said China could reach herd immunity by end-2021 if 80% of population is vaccinated but also called for booster shots.	After exiting from pandemic-related stimulus policies 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	Limited state of emergency measures were again expanded to cover around three-quarters of the population until at least 12 Sep, with the health minister hinting at another extension.	43% fully vaccinated, 53% have at least one dose. Around 555,000 doses administered daily. Govt aims for 80% coverage by Oct. Concern about possible contaminants in 1.6mn Moderna doses.	Discussions of another stimulus package in fall are starting to gain traction in the ruling LDP. Fiscal 2022 budget requests are already at record levels (JPY 111tn, USD 1tn), with debt-servicing costs rising.	Medium – ICU bed occupancy rates in the Tokyo region mostly in the 70-80% range, with localized crunches. Nationally, the number of severely ill patients has hit new highs for 19 consecutive days.	Medium – PM Suga is facing a leadership contest on 29 Sep and his poll numbers remain dreadful, but the LDP's influential faction chiefs could still coalesce around him as they did last Sep.	Data trends suggest the current wave may possibly be peaking.
Germany	Children older than 12 will be offered vaccines to help ensure a safe return to school.	60% of population fully vaccinated, but pace of vaccinations continues to create debate as race against Delta variant continues.	EUR 350bn+ in fiscal measures, EUR 800bn+ guarantees; tax delays, short-term work, payments to businesses.	Medium – Slow speed of vaccine rollout has raised questions.	Medium – Grand coalition govt, but some political competition in the decentralized political system.	Questions over the reliability of official vaccination statistics.

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Canada	Plans to fully reopen the economy stall as fourth wave imminent and Delta variant driving increased case counts and deaths.	67% of the population is fully vaccinated. Canada's five largest banks to require employees to be fully vaccinated before physically returning to work.	Economic rebound stalling: GDP fell 1.1% y-o-y in Q2, continued to fall over summer. The Prime Minister proposed extending wage subsidies for the hardest hit sectors if re-elected on 20 Sep.	Medium – Average daily cases on the rise reaching 2,850 from 20-26 Aug, up 29% on the week. Limited critical care capacity, especially in Western Canada. Supply chain issues remain.	Medium – Liberals and Conservatives currently tied in polls ahead of elections. Campaigns focus on affordability, social issues. Leaders traveling across the country to host daily press conferences.	Case counts continue to rise steadily, raising concerns about the one-third of the country that remains unvaccinated, including children under 12.
India	Lockdown relaxed in many provinces but caution over third wave. Many state govts have opened schools, places of worship, swimming pools. Phase 3 vaccinations accelerate for 18+; govt aims to vaccinate 12-18 y.o.s from Sep.	Govt centralized vaccine procurement and supply; extended time between two jabs of Covaxin; export restrictions on some vaccines, Remdesivir. Govt likely to approve mixed vaccine doses, no boosters for now; ZyCoV-D cleared for use.	Pressure on GDP growth, but robust trade growth. New monetization plans for govt assets revealed, but ownership to stay with govt. INR 500bn pharma/health sector package; INR 30tn package to support small businesses, tourism, construction.	Medium – Hospital beds, ventilators, oxygen stable. Vaccine supply remains an issue, but centralization of pandemic management has reduced waste. Govt warns private hospitals to keep pace of vaccination program.	Medium – State govts largely support the federal regime. Third wave not ruled out.	Govt told the Supreme Court that the entire population will be vaccinated by end of year, which seems overly optimistic with only around 10% fully vaccinated.
United Kingdom	Daily new infections and deaths have trended higher in recent weeks; decision pending on booster campaign; double-jabbed visitors from EU and US can enter UK freely.	Further expediting vaccination efforts will be difficult if AZ is to be avoided among younger cohorts. Awaiting guidance on vaccines for 12-15-year-olds.	In total ~GBP 300bn. Companies now paying more for the furlough scheme. Plans to extend the scheme locally past Oct.	Medium – Slight growth in hospitalizations and critical care, but much lower than second wave peak. Questions around testing and tracing, and the cost of support measures; but vaccination record has been positive.	Medium – Govt has large majority, but political contestation over govt's crisis response.	Scotland has followed England and lifted almost all remaining restrictions. Dates being finalized to lift remaining UK restrictions with more rollbacks expected from early Sep.
France	Lockdown exit completed, but govt could adopt new measures if needed. "Health pass" required to participate in wide range of social activities validated by constitutional court.	Vaccines supplied by EU joint purchases. Around 65% of population has been fully immunized. Govt has made vaccination compulsory for healthcare workers and is requiring health pass for public-facing employees.	Long-term furlough scheme for specific firms. Some support mechanisms expire end-Aug. Solidarity Fund to expire on 30 Sep. New EUR 20-30bn public investment plan to be presented in Sep.	Medium – Hospitalizations and deaths on the rise; daily new infections are declining.	Medium – Despite protests, mandatory health pass still supported by a large majority of the population, according to opinion polls.	Trade unions have called for nationwide demonstrations to take place on 5 October.

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Italy	The seven-day rolling average of daily new cases is around 6,500. It was around 6,300 last week. With Delta variant on the rise, Green Pass usage is growing.	The authorities remain confident about meeting the goal of vaccinating 80% of the eligible population by the end of Sep. Around 63.3% of the population over 12 is fully vaccinated.	Italy's economy grew by 2.7% in Q2 from the previous three months. The EC has disbursed EUR 24.9bn to Italy in pre-financing, equivalent to 13% of the country's grant and loan allocation under the Recovery and Resilience Facility (RRF).	Medium – Mandatory mask-wearing outdoors reintroduced in the southern region of Sicily as of 30 Aug to curb a surge in cases and hospitalizations.	Medium – Protests against the Green Pass are planned in 54 train stations across the country on 1 Sep, the day that new travel rules come into force.	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.
Brazil	Weekly moving average for deaths has been below 700 for four consecutive days.	28% of the population is fully vaccinated, 60% only partially. Most states planning booster jabs for persons over 60 years of age.	Emergency aid expired in June 2021 but government seeking funding for new permanent cash transfer program.	High – Public Health System occupation below 50% in 20 of 26 states and Brasilia.	Low – Bickering between health minister and governors continues over immunization.	President instigating protests of the Supreme Court and Congress for Independence Day (7 Sep). Business reacting with pro-democracy manifestos.
Russia	New cases slowly falling but death rate remains close to all-time high. Authorities remain reluctant to impose harsh restrictions ahead of the 17-19 Sep State Duma election.	As of 31 Aug, 43.7mn people (20% of population) received first dose, 36.5mn (25%) fully vaccinated. Lottery for the vaccinated starts on 1 Sep. In Moscow, businesses that vaccinated >60% of employees are eligible for financial support.	President Vladimir Putin approved one-time payments ranging between RUB 10,000 (USD 136) and RUB 15,000 (USD 205) to pensioners, military, and law enforcement officers.	Low – Public health facilities remain under significant pressure as evidenced by high death rates. However, the epidemiological situation in Moscow is improving.	Medium/High – Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	Vaccination of adolescents is expected to start in Sep. The start of the school year on 1 Sep could raise infection levels.
South Korea	Highest level 4 restrictions extended to 5 Sep for Seoul, Busan, Daejeon (rest of country at level 3). 26 countries on high-risk list require mandatory quarantine on arrival even if vaccinated.	27% fully vaccinated (target of 70% by Nov), 54% have first dose. Vaccines available for 18-49 age group; school vaccination programs underway. 30mn Pfizer doses to be purchased for 2022; 400,000 J&J arrived 15 Aug; 1mn Moderna vaccines arrived 23 Aug (7mn more on the way).	Ruling party and govt agree on FY 2022 budget of KRW 605tn (USD 518.7bn) to finance Covid-19 related efforts. Relief funds to be distributed in supplemental budget by 20 Sep. Tax investigations suspended until end-2022 for many merchants.	High – ICU capacity stable, but hospital bed capacity decreasing. Increase in critically ill patients (average >400 daily in Aug vs ~150 in Jul). Growing concerns over untraceable and variant cases; Delta accounts for 89.6% of new cases.	Medium – Moon's approval ratings down to 36% with resurgence. Health and Medical Workers' Union said of 82% who cast ballot, 90% voted for 2 Sep healthcare workers strike for better conditions and infrastructure. Some public aversion to support for Afghan evacuees amid battle with Covid-19 resurgence.	Finance minister announced increased financial & taxation support for domestic vaccine development (USD 1.7bn by 2023). SK announces that 170mn doses to be available in 2022. Agreement with Russia to work together on economy and health-related fields, including Covid-19.

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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 70% of population fully immunized. Summer holiday has led to slower vaccination rate.	Short-term employment scheme covering ~500,000 workers extended to 30 Sep. 2022 budget to be discussed in the fall.	Medium – New cases and hospitalizations declining, but deaths are rising again. Half of hospitalized patients are under 50 years of age.	Medium/Low – Regions and central gov't unable to agree on imposition of health pass.	Booster shots likely to be provided after EMA issues final recommendation.
Australia	VIC lockdown extended with some restrictions being eased; ACT lockdown extended to 17 Sep.	34% of eligible population fully vaccinated; ATAGI has recommended children aged 12-15 be included in rollout; PM has secured 500k Pfizer doses in Singapore swap deal.	ACT and Federal gov't commit to expansion of support grants for businesses impacted by ACT lockdown extension.	Medium/Low – NSW hospital capacity nearing limit as hospitalizations continue to rise and testing capacity under pressure.	Medium – VIC Premier has rejected NSW proposal to reopen parts of economy before reaching 80% vaccination rate.	NSW lockdown to end on 30 Sep; NSW gov't likely to ease restrictions for fully vaccinated people from mid-October
Mexico	Restrictions eased amid decline in cases starting in Apr. Authorities reluctant to re-impose restrictions despite rise in cases since Jun and new caseload peaks from mid-Aug. Official messaging often muddled and contradictory.	As of 29 Aug, 84.5mn vaccine doses have been administered; 33.6mn people (25.8% 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 gov't austerity.	Low – Chaotic healthcare system reform was in process pre-pandemic; a lack of PPE, limited testing capacities; shortages of some medicines; gov't believes wide-ranging testing unnecessary.	Low – Divisions between opposition state governors and central gov't; 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. Official optimism that third wave will be in decline by early Sep a new test of gov't's pandemic management and forecasting. The gov't aims to have entire adult population inoculated by end Q1 2022.
Indonesia	The government has lowered community restrictions in Jakarta and other high-infection areas and is adding proof-of-vaccination as a requirement for certain activities and services.	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 – Gov't has broad support for most pandemic, economic, and health policies, but labor is unhappy with some reforms.	Restrictions adjusted based on public and gov't perceptions of risk and locations where cases are concentrated.

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Saudi Arabia	Vaccination required for new school term (29 Aug) for students 12+ and employees; employees can be dismissed for refusal to get vaccinated; individuals can be arrested for violating quarantine and business fined for violating preventative measures; citizens must be fully vaccinated to leave KSA.	Over 36.8mn administered doses as of 31 Aug; 43% of Saudis fully vaccinated. Moderna approved for 12-17-year-olds. Approved vaccine list now includes Sinopharm and Sinovac.	Oil exports up 126%, non-oil exports rose 52% in Q2 with international trade rebound. Faster expansion expected 2H 2020 with oil sector benefiting from higher output. IMF expects 2.4% growth for 2021; 4.8% growth for 2022. Loan deferral program to help small business cope with Covid-19 extended to end-Sep.	Medium – New daily cases remain lower around 224 on 31 Aug. 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.	Higher number of Umrah pilgrims could affect case numbers. Saudi may have to step up role in regional geopolitics following US withdraw from Afghanistan, Baghdad meetings. Economic diversification plans raising tensions with UAE, but expanding ties to Oman, including a possible industrial zone in the country.
Turkey	Turkey has registered an uptick in cases and deaths in recent weeks. Cases have remained around 20k since late Jul hitting over 26k in Aug, the highest figure since May.	Turkey has vaccinated significantly fewer citizens than European average. Around 45% of the population aged 18+ is fully vaccinated.	The IMF downgraded its growth forecast for 2021 from 6% to 5.8% and lowered its growth forecast for 2022 from 3.5% to 3.2%.	Medium – The head the Medical Association in Izmir warned that a new, previously unidentified variant has emerged in the country's third-largest province.	Low – The popularity of President Tayyip Erdogan has declined by 10% in Aug, dropping to 38%.	From 6 Sep unvaccinated individuals will be required to present a negative PCR test taken at most 48h prior to entering indoor public venues. The same will apply for inter-city travel regardless of the means of transport.
Thailand	Thailand will remove most restrictions on retail and dining starting in Sep and permit gatherings of up to 25 people in Bangkok and other areas previously deemed high risk.	Vaccine rollout started with Sinovac, now broader AZ rollout has begun but faces supply-constraints. Govt exploring new orders and liberalization of private importation.	USD 4.5bn stimulus approved for Jul to spur consumption; an additional USD 14bn borrowing program also approved. The central bank is recommending USD 30bn stimulus for 2022.	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	Fewer legal restrictions than most countries. All travelers not fully vaccinated required to avoid contact with others for a week, take a test as soon as possible.	54% of population fully vaccinated, 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 continues to drive 10x more cases than among Nordic neighbors. High proportion of new cases linked to travel abroad.	Medium – Red-green minority government depends on outside support amid increasing fragmentation.	PM Lofven to resign at year-end and in run-up to September 2022 general election.

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Nigeria	Stage 4 of eased lockdown began 11 May, essentially reinforcing measures in place since 4 Sep 2020.	Less than 2% have been fully vaccinated to date vs 40% target for 2021 and 70% by end-2022. Vaccine deliveries picked up in August, but vaccination targets remain illusory.	Moratorium on government loans. Small credit facilities to support households and SMEs (NGN 50bn) and healthcare (NGN 100bn).	Low – The gov't's public health and economic response capacity both remain very weak.	Medium – Laissez-faire approach remains overall consensus, easing economic grievances. Mistrust of state institutions, particularly in the majority Muslim north, affects 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 in 2020. Intermittent lockdowns and easing have followed. As of Aug, restrictions largely lifted.	Vaccine rollout started Dec 2020 but has stuttered at times. Heavy reliance on Sputnik V, but deliveries have not kept up with original timetable. As of 31 Aug, 42.5mn doses administered; 14.5mn people (32.3% 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 been strained during peak periods. Testing rates remain relatively low.	Medium – Presidential authority boosted by early action but eroded by slow restriction easing, economic impacts, and scandal over gov't insiders receiving early vaccines. Tensions between Buenos Aires and provincial authorities.	Gov't in early Aug announced easing of restrictions in time for Sep-Nov electoral cycle, though spread of Delta variant could alter easing plans. Scandal over president's flouting of Covid-19 rules likely to dent public trust in gov't-imposed rules to control further transmission peaks.
South Africa	Lockdown measures eased to Level 3 on 25 Jul, including nighttime curfew, limited gatherings, limited alcohol sales.	Delayed rollout is accelerating. As of 27 Aug, 15% of population fully or partially vaccinated. Plans to vaccinate 35mn by end-2021 and 40mn by Mar 2022.	Uneven recovery. Mining buoyed by commodity prices. Ballooning debt is forcing fiscal consolidation, but some relief announced on 25 Jul.	Low – Third wave has peaked in Gauteng but is sustained by high infection rates in four other provinces. Health services strained.	Medium – Slow vaccine procurement and rollout and corruption are fueling opposition. Municipal elections may be delayed till Feb 2022 due to pandemic.	Speed of vaccine rollout. Any procurement from additional manufacturers (AZ, Sinovac, Sinopharm). Vaccine efficacy against variants.

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