

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 with almost 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.	About 53% of Americans are fully vaccinated (62% have received a first dose). 954,000 new first doses are being administered a day. Additionally, around 1.2 mn fully vaccinated individuals have received a third booster dose since 13 Aug.	The House passed the Senate-approved bipartisan USD 3.5tn budget request, with committees continuing to draft the bill's language over the next few weeks.	Medium – The latest spike has caused overcrowding at hospitals and a rise in infections among kids. 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.	2.11bn vaccinations (includes second doses, equal to 146% of population) administered by 5 Sept. Authorities are considering 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 if necessary.	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	State of emergency measures will remain in place across much of the country until at least 12 Sep.	Daily vaccination numbers rebounded after an August dip, with about 48% now fully and 60% at least partially vaccinated.	With a new PM incoming and a general election due in Oct or Nov, chances of a fall stimulus package continue to rise.	Medium – ICU bed occupancy rates rose again to 61% nationally and now average around 70% in the wider Tokyo and Osaka regions.	Low – The race to replace PM Suga is heating up, with divisions appearing within as well as between ruling LDP factions	Infections fell for a second week and other key metrics stabilized, suggesting the current wave has peaked
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.	Parties unwilling to debate further autumn Covid-19 restrictions ahead of 26 September general election.

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Canada	Plans to fully reopen the economy stall as fourth wave and Delta variant driving increased case counts and deaths. Renewed provincial restrictions could help contain cases.	68% of the population is fully vaccinated (targeting 80% fully vaccinated ASAP). 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. PM proposed extending wage subsidies for the hardest hit sectors if re-elected on 20 Sep.	Medium – 7-day average new cases just over 2,000, falling slightly from previous week. Limited critical care capacity, especially in Western Canada. Supply chain issues remain.	Medium – Liberals and Conservatives currently in tight race ahead of elections. Campaigns focus on affordability, social issues, but fiscal policy not likely to change much irrespective of winning party.	Case counts raising concerns about the one-third of the country that remains unvaccinated. Any fully vaccinated foreigner can now visit Canada (as of 7 Sep).
India	Lockdown relaxed in many provinces; caution over third wave. Many states 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. Govt likely to approve mixed vaccine doses, no boosters for now; ZyCoV-D cleared for use. Moderna and COVAX vaccines held up because of indemnity issues.	Pressure on GDP growth, but robust trade growth. New monetization plans for govt assets revealed, but ownership to stay with govt. More economic support for businesses in the works and to be announced before Oct.	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. First signs of a third wave.	Govt told the Supreme Court that the entire population will be vaccinated by year end, which seems overly optimistic with only 38% having received one dose, 12% 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 and recent decision by PM to increase national insurance contributions.	English school reopening may further add to resurgence in case numbers.
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 67% of population has been fully immunized. Govt has made vaccination compulsory for healthcare workers and public-facing employees.	Long-term furlough scheme for specific firms. Some support mechanisms expired end-Aug. Solidarity Fund to expire on 30 Sep. New EUR 20-30bn public investment plan in the works.	Medium – New infections, hospitalizations and deaths are all declining.	Medium – Support for Macron has increased to around 37-40% according to recent opinion polls.	Government has delayed presentation of its "France 2030" public investment plan, which was expected to be unveiled on 9 Sep.

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Italy	The seven-day rolling average of daily new cases is around 6,000, registering a 5% decrease from last week. Tighter restrictions, including indoor and outdoor mask mandates, emerging in some regions following a surge in cases.	Authorities remain confident about meeting the goal of vaccinating 80% of the eligible population by the end Sep. ~70% of the population over 12 is fully vaccinated. Third doses to be made available to "clinically vulnerable."	The govt expects the economy will expand by at least 5.8% this year amid pandemic recovery, which may allow Rome to improve deficit and debt targets.	Medium – Sicily was the first region placed back under 'yellow' zone restrictions since Covid-19 rules were eased across the country in June. Sardinia and Calabria are currently the two regions most at risk of following Sicily.	Medium – The turnout at 1 Sep nationwide protests against the Green Pass was extremely low.	Italy could decide by the end of September whether Covid-19 vaccines will become mandatory for all people aged 12 and over.
Brazil	Weekly moving average for deaths has been below 700 for four consecutive days.	32% of the population is fully vaccinated, 66% has received at least one dose. 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 concerned that the new school year and colder weather in autumn will aggravate the epidemiological situation.	As of 7 Sep, 44.8mn people (30.6% of population) received first dose, 38.7mn (26.5%) are fully vaccinated. The pace of vaccination slowing.	Support measures announced for the Far Eastern Federal District: RUB 6bn for healthcare spending; RUB 20bn for the modernization of social facilities; support for the tourism sector; preferential tax regime for Kuril Islands.	Low – Public health facilities remain under significant pressure as evidenced by high death rates. Out of 220,000 hospital beds for Covid-19 patients, around 75% are occupied. Around 5,000 patients are in intensive care.	Medium/High – Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations. Tight restrictions unlikely ahead of State Duma election.	Vaccination of adolescents is expected to start in Sep.
South Korea	Highest level 4 restrictions for Seoul, Busan, Daejeon (rest of country at level 3). Covid-19 restrictions extended to 3 Oct ahead of fall harvest Chuseok national holiday in late Sep.	36% fully vaccinated (target of 70% by Nov), 59% 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.	Medium – ICU capacity stable, but hospital bed capacity decreasing. Increase in critically ill patients and deaths in recent days. Growing concerns over untraceable and variant cases; Delta accounts for vast majority 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. More than 70% of population fully immunized but vaccination pace has slowed.	Short-term employment scheme covering ~500,000 workers extended to 30 Sep. 2022 budget to be discussed in the coming weeks.	Medium – Large decrease in infections and hospitalizations in recent days, but deaths are still rising following peak of the fifth wave.	Medium – Government to provide booster shots to immunosuppressed individuals as demanded by regions.	The government is preparing new measures to contain the ongoing surge in power prices.
Australia	VIC lockdown extended to 23 September; NSW has planned to phase out hotel quarantine for overseas arrivals and has mandated vaccination for NSW Police.	39% of eligible population fully vaccinated; PM has secured 4mn Pfizer doses in UK swap deal; Moderna will begin rollout from 20 Sep.	VIC and federal govt commit to AUD 2.34bn package for small businesses impacted by extended lockdown.	Medium/Low – NSW hospital capacity nearing limit as hospitalizations continue to rise and testing capacity under pressure.	Medium – WA Premier has requested the federal govt to adhere to per capita distribution of vaccines; VIC Premier accused federal govt of providing extra allocation of vaccines.	NSW lockdown to end on 30 Sep; National Cabinet meeting on 17 Sep to discuss vaccine strategy.
Mexico	Restrictions eased amid decline in cases starting in Apr. Authorities were reluctant to re-impose restrictions during Jun-Aug third wave. Official messaging often muddled and contradictory.	As of 6 Sep, 87.2mn vaccine doses have been administered; 35.8mn people (28% 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 is seemingly in decline, though school re-openings could keep caseloads relatively high. The govt 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 – 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	Vaccination required for new school term 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.	Over 38mn administered doses as of 7 Sep: 46% of Saudis fully vaccinated. Moderna approved for 12-17-year-olds. Approved vaccine list now includes Sinopharm and Sinovac.	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 continue to fall; down to 138 as of 7 Sep. 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 regional role after US withdrawal from Afghanistan. Saudi surprised market with a deeper price cut for crude sales to Asian buyers amid concerns about region's economic recovery.

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Turkey	Daily Covid-19 cases rose to a three-week high of 24k on 1 Sep while the death toll, at 290, was the highest since early May.	Turkey has vaccinated significantly fewer citizens than European average. Around 47% of the total population is fully vaccinated.	Official data from 1 Sep shows the economy grew 21.7% year-on-year in Q2. But the huge jump owes much to a strong base effect from Q2 2020, when the country's GDP shrank 10.3%.	Medium – Around 90% of those who are hospitalized for the virus were not fully vaccinated and 90% of those who died were either unvaccinated or not fully vaccinated.	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.
Thailand	Thailand is removing most restrictions on retail and dining, public places, and schools. Bangkok is introducing vaccine requirements for dining in the capital.	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 and the handling of serious cases. Planned Q4 2021 reopening of Bangkok to foreign travelers will be the next major test.	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.
Sweden	Virtually all restrictions to be removed on 29 Sep. All travelers not fully vaccinated required to avoid contact with others for a week, take a test as soon as possible.	Gov't asserts that with nearly 60% of population fully vaccinated, safe to remove many restrictions.	SEK 812bn in tax delays, credit guarantees; wage subsidies, SEK 500bn business loans, SEK 300bn bond buying.	Medium – Institutional capacity high, but a rapid spread of more contagious Delta variant in recent weeks; deaths remain low.	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.
Nigeria	Stage 4 of eased lockdown began 11 May, essentially reinforcing measures in place since 4 Sep 2020.	Less than 2% have been 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 gov't 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.

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Argentina	Strict, lengthy lockdown failed to limit Covid-19 spread in 2020. Intermittent lockdowns and easing have followed. As of Sep, restrictions largely lifted.	As of 7 Sep, 45.2mn doses administered; 16.7mn people (37.2% of population) fully vaccinated. Vaccine rollout has stuttered at times. Heavy reliance on Sputnik V, but deliveries have not kept up with original timetable.	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 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. Scandal over president's flouting of Covid-19 rules likely to dent public trust in govt-imposed restrictions.
South Africa	Lockdown Level 3 restrictions, in place since 25 Jul, may be eased as third wave wanes. Measures include nighttime curfew and limited gatherings.	Delayed rollout is accelerating. As of 5 Sep, 16.59% of population fully or partially vaccinated. Plans to vaccinate 35mn by end-2021 and 40mn by Mar 2022.	Recovery driven mainly by commodity prices. Ballooning debt is forcing fiscal consolidation, but some relief announced on 25 Jul.	Low – Health system strain easing as third wave wanes. New variant C.1.2 is reportedly gaining ground.	Medium – Slow vaccine rollout and corruption are fueling opposition. Messy municipal elections loom in late Oct.	Speed of vaccine rollout and uptake. Any procurement from additional manufacturers. Vaccine efficacy against variants.

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