

## 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 and vaccination mandates.	About 211.1mn Americans have received a first dose of a vaccine; 180.6mn have been fully vaccinated. 775,000 new first doses are being administered a day. Around 2mn individuals have received a booster dose since 13 Aug.	Following the passage of the Senate-approved bipartisan USD 3.5tn budget request in the House, committees are continuing to markup their portion of 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 – Democrats are still unable to reach an agreement concerning the budget reconciliation bill or the bipartisan infrastructure bill, which is likely to slow the implementation of the administration's Build Back Better agenda.	The House continues to mark-up budget reconciliation language in committees, however in-party disagreements could upend the chamber's initial goal of voting on the Senate-approved infrastructure package by 27 Sep.
European Union	Digital vaccination passports are operational, but lack of unified tourist policy allows national governments to set entry rules.	EC announced that on average 70% of adults across the bloc are vaccinated. Countries are being urged to focus on primary vaccination programs; boosters being downplayed.	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 has waned as vaccination programs have made progress.	Medium – Different positions persist, but overall approach to crisis response is more proactive than after the 2008 financial crisis.	European Commission pushing for extending controls on vaccine exports beyond end of September, but member states are reluctant.
China	Fujian province imposed travel restrictions to contain an outbreak that began on 10 Sep.	1.01bn people, or 70% of the population, were fully vaccinated by 15 Sep. Goal to reach 1.1bn by end-Oct, but authorities warn that persuading remaining holdouts is becoming difficult.	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	The country's top Covid-19 advisor warned against further easing of restrictions, with current measures set to run until 30 Sep.	Despite a late start, vaccination rates are now 55% for 2 doses and 67% for 1 dose, surpassing levels in the United States.	Candidates in the race to become the next PM are proposing various economic policies, with a growing focus on targeting lower-income groups.	Medium/High – Severe case numbers are down one-third from the recent peak, and ICU bed occupancy rates fell to 42%	Medium – Four candidates are competing to become LDP leader and next PM, but none offers a major departure from the Abe/Suga policy framework.	Grassroots favorite Taro Kono will likely need to win the support of around 70 of the 130 undeclared Diet members this week, a tough ask as he aims to avoid a 2nd-round runoff in the LDP race.

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Germany	No consensus on Germany-wide imposition of “2G” restriction reduction for vaccinated and recovered people.	62% 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 gov, but some political competition in the decentralized political system.	After 26 Sep general election, clarity about next government’s composition might emerge only slowly.
Canada	Plans to fully reopen the economy stall as fourth wave and Delta variant continue driving increased case counts and deaths.	69% of the population is fully vaccinated. Vaccine passports will begin to control attendance at bars, restaurants, and events beginning this month for BC, Ontario, and Quebec.	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.	Medium – Average daily cases on the rise reaching 4,419 from Sept 10-17, up 13%. 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. Canadians head to the polls today (20 Sep) to vote in the 2021 Federal Election.	Case counts continue to rise steadily, raising concerns about the one-third of the country that remains unvaccinated, including children under 12.
India	Provinces easing restrictions. Many states opened schools, places of worship, pools etc. Phase 3 vaccinations accelerate for 18+; vaccines for 12-17 y.o.s with comorbidities to start in Oct.	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 to lease govt infrastructure assets and redirect proceeds to boost growth. More support for businesses to be announced by Oct. New support plans for telecoms to protect some of remaining companies.	Medium – Hospital beds, ventilators, oxygen stable. New oxygen plants opening across the country. Vaccine supply remains an issue, but centralization of pandemic management has reduced waste. Govt warns private hospitals to keep pace with vaccinations.	Medium – State govts largely support the federal regime. Third wave still expected.	Govt told the Supreme Court that the entire 18+ population will be vaccinated by year end, which seems overly optimistic with only 44% having received one dose, 15% fully vaccinated.
United Kingdom	Two-scenario autumn and winter plan bets heavily on booster shots to keep virus at bay.	Vaccine rollout to 12–15-year-olds has been officially recommended.	In total ~GBP 300bn. Furlough scheme to end on 1 Oct.	Medium – Slight growth in hospitalizations and critical care, but much lower than second wave peak. Vaccination record has been positive.	Medium – Govt has large majority, but political contestation over gov’t crisis response and its financial and economic cost.	Travel list system to change on 4 Oct, reducing testing burden on fully vaccinated people.
France	Lockdown exit completed, but gov’t could adopt new measures if needed. Obligation to show “Health pass” to participate in wide range of social activities might be lifted in some areas of the country.	Vaccines supplied by EU joint purchases. Around 70% of population has been fully immunized. Govt struggling to get teenagers vaccinated.	Long-term furlough scheme for specific firms. Some support mechanisms expired end-Aug. Solidarity Fund to expire on 30 Sept. New EUR 20-30bn public investment plan in the works, to be announced in mid-Oct.	High – New infections, hospitalizations, and deaths are all declining.	Medium – Support for Macron has increased to around 37-40% according to recent opinion polls.	Draft budget for 2022 to be presented on 22 Sept.

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Italy	Under new Green Pass restrictions, all workers will be required to have health certificate from 15 Oct showing they have been vaccinated, tested negative, or recovered from Covid-19.	Vaccination bookings have surged since the govt announced sweeping new Green Pass restrictions on 16 Sept. Authorities confident about meeting the goal of vaccinating 80% of the eligible population by end Sept.	The 2021 budget deficit could come in at under 10% of GDP well below the 11.8% target set in Apr, as the economy recovers faster than expected from the pandemic. Growth of more than 5.8% now looks possible, with a positive impact on public finances.	Medium – 7-day period from 12-19 Sept saw a 14% decrease in new case rate when compared to the average for the previous four weeks.	Medium – Mario Draghi's government will spend about EUR 3.5bn to protect consumers from high energy prices. Rome is also looking to review the way electricity bills are calculated.	Italy kicked off the campaign for third doses of Covid-19 vaccines (Pfizer or Moderna) on 20 Sept. It begins with the immunocompromised, then will turn to the elderly and health personnel.
Brazil	Lowest number of cases and deaths since 2020. The weekly average remains around 15,053 daily cases and 532 deaths.	38% of the population is fully vaccinated, Controversially, health ministry barred vaccination of 12-17 teenagers without comorbidities.	Government temporarily raised financial transaction tax until Dec to pay for a new permanent cash transfer program.	High – Public Health System occupation above 60% only in Roraima and Rio.	Low – Bolsonaro no longer attacking Congress or the Supreme Court, centering attacks on state governors.	Senate inquiry final report to request the indictment of Bolsonaro for prevarication and other crimes. President with highest rejection at 53%.
Russia	Restrictions vary across the country's regions but are generally relaxed despite high infection and death rates. New significant restrictions are unlikely in the near term.	As of 20 Sept, 46.8mn people (32% of population) received first dose, 41mn (28%) are fully vaccinated. Most vaccinated federal subjects: Belgorod (44.2%); Moscow region (42.5%); Chukotka (42.3%).	Government allocated additional RUB 3bn (USD 58.5mn) to medical personnel who contracted Covid-19 while attending to patients.	Low – Public health facilities remain under significant pressure as evidenced by high death rates. As of 17 Sept, around 700,000 residents were being treated for Covid-19, including 162,000 in hospitals.	Medium/High – Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	Colder weather and increased social contacts (particularly at educational institutions) is raising infection levels. Authorities are concerned about the spread of the mu strain. President Putin in self-isolation since 14 Sept.
South Korea	Level 4 restrictions for Seoul and Level 3 for other regions extended to 3 Oct ahead of Chuseok holidays from 20-22 Sep. Special advisory against overseas travel until 13 Oct.	42% fully vaccinated, 68% have first dose. Vaccines available for 18–49-year-olds, high school, and elementary students. Boosters planned from Oct. Govt looking at incentives to speed up vax rates.	Ruling party and govt agree on FY 2022 budget of KRW 605tn (USD 518.7bn) to finance Covid-19 related efforts. Spending will support job creation, beef up social safety net.	High – ICU capacity high, but rapid increases in number of critically ill is raising concerns about bed availability. Executive order to secure 146 hospital beds for critically ill and 1,000+ beds for less severe cases.	Medium – Moon's approval ratings drop 5% to 36%. Govt commits to address grievances by Korean Health and Medical Workers' Union by Oct to avoid gaps in services. Moon's office declared that once 80% adults fully vaccinated, restrictions can be eased.	Health ministry aims for 80% vaccinated with at least one dose by Oct. Self-employed to hold protests in several cities to call for easing of restrictions and better compensation. SK to spend KRW 7.4bn (USD 6.4mn) on researching mRNA vaccine technology by 2024.
Spain	Regional govts still in control of pandemic management. Constitutional Court ruling invalidating lockdowns has reinforced this status quo.	Vaccines supplied through EU initiative. National strategy, but regions lead rollout. 76% of population fully immunized but vaccination pace has slowed.	Extension of short-term employment scheme covering to 31 Jan currently being discussed. 2022 budget to be discussed in the coming weeks.	High – Large decrease in infections, hospitalizations, and deaths due to Covid-19.	Medium – No agreement between regions on health passports, but Supreme Court ruling has opened the door for their usage.	The govt will start discussions on the draft 2022 budget with other political parties in the lower chamber this week.

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Australia	ACT lockdown extended by four weeks until 15 Oct; NSW trials 7-day home quarantine for overseas arrivals.	47% of eligible population fully vaccinated; VIC to receive 300k Moderna doses; people aged over 60 in QLD to be offered Pfizer.	ACT has boosted support grants for eligible businesses.	Medium – Concerns remain around emergency department and ICU capacity in NSW.	Medium - PM Morrison's approval rating decreased to 46% which is the lowest since Mar 2020.	NSW lockdown to end once 70% vaccination rate achieved, likely 11 Oct; VIC lockdown likely to end on 26 Oct.
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 20 Sept, 95.3mn vaccine doses have been administered; 41.7mn people (32.7% 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 in decline, though school re-openings could keep caseloads relatively high. The govt aims to administer at least one dose to adult population by end-Oct 2021.
Indonesia	Govt lowered community restrictions in Jakarta and other high-infection areas, adding proof-of-vaccination as a requirement for certain activities and services.	17% fully vaccinated. Second phase rollout includes active adults. But a slowdown in AZ supplies from India has led to volatile vaccination rates. Jakarta opening vaccinations to all adults.	~4.8% of GDP for healthcare, social welfare, support for MSMEs, SOE bailouts. Reforms to attract investment; 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 rates among students 12+ has reached 90.5%; among teachers and staff 96.9%. KSA has some of strictest vaccine rules: employees can be dismissed for refusal to get vaccinated; individuals can be arrested for violating quarantine; and business fined for violating preventative measures.	More than 40.8mn administered doses as of 20 Sept: 52% of Saudis fully vaccinated. Moderna approved for 12–17-year-olds. Approved vaccine list now includes Sinopharm and Sinovac. Pfizer boosters proposed but not yet introduced.	Economy posted 1.8% annual growth for Q2 2021 up from 1.5% expectation. But growth of non-oil economy lost steam. Public Investment Fund plans to make domestic investments that should help support further economic growth.	High – New daily cases continue to fall; 75 cases posted on 13 Sept, lowest since March 2020. 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. Concern over regional stability amid US withdrawal, stalled negotiations with Iran.

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Turkey	Proof of vaccination or a negative test for all users of intercity planes, buses, and trains, and for attending large indoor events. Masks and social distancing are required in public.	Turkey has vaccinated significantly fewer citizens than European average. Around 67% of those aged 18+ are fully vaccinated.	After setting the stage for an interest rate cut long sought by President Tayyip Erdogan, Turkey's Central Bank could start easing its monetary policy as soon as 23 Sept.	Medium – Infections have increased since schools reopened in-person last week and most Covid-19 measures were eased over the summer.	Low – Turkey's top medical association on 12 Sept called on the education ministry to reduce classes to 30% of current capacity and expedite vaccinations in bid to stem the spread of Covid-19. Schools reopened on 6 Sept amid an infection surge.	Turkey's travel agents are expecting some 200k British tourists to visit in the remainder of the year after the country was removed from a red list of travel destinations.
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 start, and a sustained increase in new cases could trigger tighter restrictions.
Sweden	Virtually all restrictions to be removed on 29 Sept. 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 62% of population fully vaccinated, it is safe to remove many restrictions.	USD 8.6bn in fiscal support envisaged for 2022 budget as more immediate crisis support runs out.	Medium – Institutional capacity high, but a rapid spread of more contagious Delta variant in recent weeks; deaths remain low.	Medium – Pressure on minority gov't eases as Sweden Democrats back down on opposing center-left coalition's autumn budget.	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 1% fully vaccinated to date (2.1% have a first dose) vs 40% target for 2021 and 70% by end-2022. Vaccine deliveries picked up in Aug, but vaccination targets remain illusive.	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 Sept, restrictions largely lifted.	As of 20 Sept, 49mn doses administered; 20mn people (44.5% of population) fully vaccinated. Vaccine rollout has stuttered at times. Heavy reliance on Sputnik V initially, but diversification has helped ease delivery issues.	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 any future govt-imposed restrictions.
South Africa	Lockdown eased to Level 2 on 13 Sep as third wave wanes. Measures include shortened nighttime curfew and limited gatherings.	Rollout is accelerating. As of 20 Sept, 13% fully vaccinated (19% have first dose). Plans to vaccinate 35mn by end-2021 and 40mn by Mar 2022.	Recovery driven mainly by commodity prices; structural reforms badly needed. Debt burden is forcing fiscal consolidation, but 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 on 1 Nov.	Speed of vaccine rollout and uptake. Any procurement from additional manufacturers. Vaccine efficacy against variants.

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