

## 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.

Please click on 'View PDF' below to see the table

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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 212.9mn Americans have received a first dose of a vaccine; 183mn have been fully vaccinated. 653,000 new first doses are being administered a day.	Following the passage of the Senate-approved bipartisan USD 3.5tn budget request in the House, committees have been marking up their portion of the bill's language. A vote is expected this week, although it has yet to be scheduled.	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 on budget reconciliation bill and bipartisan infrastructure bill, which is likely to slow implementation of the administration's Build Back Better agenda.	The House is expected to vote on the Senate-approved infrastructure package later this week. The Senate will take up the House-passed continuing resolution, a temporary funding measure to avert a government shutdown when current spending levels expire on Friday, 1 Oct.
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.	Medium – Different positions persist, but overall approach to crisis response is more proactive than after the 2008 financial crisis.	First meeting of the Transatlantic Trade and Tech Council going ahead on 29 Sep.
China	Small outbreaks in Fujian and Heilongjiang provinces have sparked the usual targeted lockdowns and travel restrictions.	1.02bn people, or 71% of the population, were fully vaccinated by 18 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	State of emergency restrictions to end on 30 Sept as planned. Quarantine rules are also being relaxed for vaccinated visitors.	Children aged 16+ will be eligible to receive shots from early Oct. Already 72mn of 126mn people are fully vaccinated.	Bank of Japan will extend its pandemic lending through Mar 2022, and also launch a new green finance facility.	High – Nationally, bed occupancy rates have fallen to around 30% on average	Medium -- The ruling LDP will elect its next leader and Japan's new PM this week, but the winner is likely to continue the Abe/Suga economic framework	Grassroots choice Taro Kono will likely fall short of an overall majority in the 29 Sept vote, but will hope to gain a large enough victory over Fumio Kishida to claim in the run-off that he has the strongest mandate to lead the party.

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Germany	No consensus on Germany-wide imposition of “2G” restriction reduction for vaccinated and recovered people.	64% of population fully vaccinated, but pace of vaccinations continues to create debate.	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.	“Traffic light” coalition talks are the likely way forward following CDU/CSU losses in the Bundestag election.
Canada	Plans to fully reopen the economy stall as fourth wave and Delta variant continue driving increased case counts and deaths. Vaccine passports are now required in many of the provinces to combat Covid-19 spread.	71% of population is fully vaccinated. Vaccine passports will begin to control admissions to bars, restaurants and events beginning in Sept in many provinces.	A re-elected Liberal minority gov promised to spend CAD 78bn (USD 61.6bn) over the next five years. Key promises include expanding access to childcare.	Medium – Average daily cases on the rise reaching 4,231 from 20-27 Sept, up 1% in the past week. Limited critical care capacity, especially in Western Canada. Supply chain issues remain.	Medium – The Liberal Party maintained a minority government after the 2021 Federal Election. This is the Liberal gov’s second consecutive minority gov and the fifth minority gov out of the past seven elections	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; Zydus Cadila’s 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 gov infra assets and redirect proceeds to boost growth. New “bad bank” announced for inclusion in FY22-23 budget, more support for businesses to be announced in Oct, including for telcos.	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 45.3% having received one dose, 16.1% 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’s 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 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 72% of population has been fully immunized. Govt struggling to get teenagers vaccinated.	Long-term furlough scheme for specific firms. Draft budget for 2022 currently being discussed in parliament. New EUR 20-30bn public investment plan in the works, to be announced in mid-Oct.	High – New infections, hospitalizations, and deaths are at their lowest level since Jul.	Medium – Support for anti-pass protests has waned in recent weeks. Macron’s policies continued to be backed by around 40% of the population.	The Republicans party (center-right) has agreed to elect its candidate through a congress to be held on 4 Dec.

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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 – The total number of new cases last week (around 39,000) was 53% lower than the average for the previous four weeks.	Medium – The government unveiled on 23 Sep a EUR 3bn package to mitigate the increase in energy prices, aimed at helping poorer households and small businesses to pay their bills.	Italy plans to give other countries 45mn doses of Covid-19 vaccines before the end of the year, three times its original pledge, Prime Minister Mario Draghi said last week.
Brazil	Average weekly death rate on upward trend in 11 states and Brasilia - 15% higher than 2 weeks ago.	41% of the population is fully vaccinated. Govt retracted prohibition of immunization for 12-17-year-old teenagers without comorbidities.	There is still no solution for a permanent cash transfer program beyond 2021. Inflation estimated at 8.35% at year-end.	High – Two out of 27 federal units with occupancy below 60%.	Low – Government having great difficulty creating space in budget law to include new cash transfer program. Income tax proposal opposed in Senate.	Senate inquiry final report to be delayed due to evidence that a private health company pushed and tested unproven "cure" against Covid-19 without informing patients.
Russia	Some regions, such as Saratov, are tightening restrictions and shifting to remote education. More regions are likely to follow suit with surge in infections and death levels. Nationwide lockdown unlikely.	As of 27 Sept, 47.7mn people (32.7% of population) received first dose, 41.8mn (28.6%) are fully vaccinated. Vaccination campaign remains slow.	Government approved the draft 2022-2024 budget, which prioritizes social spending and infrastructure development.	Low – Public health facilities remain under significant pressure as evidenced by high death rates. Regions are expanding the number of Covid-19 beds.	Medium/High – Main decisions/strategy taken at federal level, but regional administrations are responsible for restrictions and vaccinations.	Infections and deaths are expected to continue rising in the coming few weeks. Parliament will start consideration of the 2022-2024 budget in early Oct.
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.	45% fully vaccinated, 74% 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 – 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 have started to remove the restrictions to contain the spread of the virus.	Vaccines supplied through EU initiative. Regions lead rollout. 77% of population fully immunized but vaccination pace has slowed.	Last extension of short-term employment recently agreed. 2022 budget to be presented within two 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 government has reached an agreement with trade unions and employers to extend the state-sponsored furlough scheme until 28 February.

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Australia	NSW to trial vaccine passport from 6 October; home Covid-19 testing expected before Christmas.	52% of eligible population fully vaccinated; Federal Health Minister has requested approval from Pfizer for children aged 5-12-years-old.	Business support cash grants to be exempted from tax in SA.	Medium – Cash grants for VIC doctors and pharmacies to accelerate vaccine rollout; QLD ad campaign launched to combat vaccine hesitancy.	Medium – PM Morrison has challenged state leaders to reopen borders before Christmas, QLD Premier criticized for harsh border stance.	NSW lockdown to end on 11 Oct and all restrictions to be eased from 1 Dec; VIC lockdown likely to end on 26 Oct; ACT lockdown to end on 15 Oct.
Mexico	Restrictions eased amid decline in cases starting in Apr. Authorities were reluctant to reimpose restrictions during Jun-Aug third wave. Official messaging often muddled and contradictory.	As of 26 Sept, 99.1mn vaccine doses have been administered; 44.5mn people (34.8% 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 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. The govt says it is on track 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.	18% 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	KSA has some of strictest vaccine rules and reported 19k+ violations in past week: employees can be dismissed for refusal to get vaccinated; individuals arrested for violating quarantine; and business fined for violating preventative measures.	More than 41.6mn administered doses as of 27 Sept: 54% of Saudis fully vaccinated. Saudis 60+ to receive boosters, govt looking to expand program. Approved vaccine list now includes Sinopharm and Sinovac.	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: 44 cases posted on 27 Sept and 5 deaths. 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 from Afghanistan, 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 70% of those aged 18+ are fully vaccinated. Turkey has given third booster shots to over 10mn people.	Ceding to pressure from President Erdogan, the central bank cut its rate by 100 basis points to 18% on 23 Sept, in an apparent bid to stimulate the economy amid high inflation and mounting popular discontent at giddy prices.	Medium – Infections have increased since schools reopened and most Covid-19 measures were eased over the summer. Daily infections are hovering at above 28k, while over 200 patients are losing their lives daily because of the virus.	Low – Parliament will reopen on 1 Oct after its summer recess, with a heavy agenda awaiting lawmakers. The main items on the agenda include the 2022 budget, a possible new electoral law, and a social media bill.	President Erdogan last week announced that the Paris climate pact would be presented to parliament for approval in Oct. The ratification should be completed before the United Nations Climate Change Conference in Glasgow.
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 63% 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 (2.2% 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 27 Sept, 50.9mn doses administered; 21.4mn people (47.7% 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 Sept-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 Sept as third wave wanes. Measures include shortened nighttime curfew and limited gatherings.	Rollout is accelerating. As of 27 Sept, 21% fully or partly vaccinated. 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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