

EUROPE: Managing the pandemic – what we are watching

This updated weekly piece provides snapshots of how selected European governments are dealing with the ongoing Covid-19 pandemic. Please do not hesitate to contact us if you want to discuss any of the countries mentioned in more detail.

United Kingdom

- The seven-day average of new infections is now on a clear upwards trajectory again, having risen from 37,000 cases to just under 45,000 infections over the last week; at the same time, there are concerns over a new, 10-15% more infectious virus variant.
- While health sector representatives have called on the government to impose new restrictions quickly, the government remains hesitant; several cabinet members have reiterated that a new lockdown is not in the cards this winter, given the successful vaccine rollout.
- Despite some dissenting views in the cabinet, the government's overall response is probably still best reflected by the position of Health Secretary Sajid Javid, who has so far pointed to the importance of booster jabs and a quicker rollout of vaccines to teenagers.

Germany

- The seven-day rolling average of new cases has jumped back over the mark of 10,000 cases lately, after remaining below that mark for several weeks.
- Parting Health Secretary Jens Spahn has suggested that the pandemic state of emergency should not be extended beyond its current end date in late November; however, the requirements for negative tests or full vaccinations for attending indoor events would continue.
- Spahn's plan requires approval from the (new) Bundestag, which will convene for the first time at the end of October. Therefore, political coordination with the incoming "traffic light" government will be important, but the designated coalition partners still differ on the right way forward.

France

- Cases have started to rise again, with the seven-day average at 4,713 infections (compared to 4,142 fifteen days ago). A steep increase in cases could accelerate a decision by the health authorities to extend booster shots to the general population.
- At the same time, only one third of those eligible for a booster shot (the over-65s, individuals who received the Janssen vaccine, and the immunosuppressed) have so far received it. The government is considering including third doses as a requirement to maintain the validity of a health pass.

- A recent ELABE poll shows that purchasing power has become the top concern for French voters, well ahead of other topics such as security or migration. With protests by the Yellow Vests expected to take place over the coming weekends, the government is planning measures to help consumers deal with higher gasoline prices.

Italy

- The seven-day rolling average of daily new cases is around 2,688, suggesting that the number of infections is slowly increasing.

- As of 20 October, 74.3% of the total population has been fully vaccinated, while another 3.8% is waiting for the second jab. A third booster dose has been administered to around 1.2% of the total population – people aged 80+ years and staff and guests of residential care facilities are currently eligible.

- The outline of the upcoming budget that the government will send to the European Commission suggests that Rome plans to boost spending by around EUR 23.5bn. The government plans to set aside at least EUR 8bn (including EUR 2bn which had been allotted for this) to cut income taxes.

Spain

- Daily cases have slightly increased in recent days, but the seven-day average of infections remains around 1,870. The virus is considered to be spreading again in six out of Spain's seventeen regions.

- Around 78% of the total population has gone through a full vaccination cycle. The authorities will start inoculating the over-70s from 25 October. Some regions are planning to provide the flu shot at the same time that the third Covid-19 dose.

- The government is expected to propose changes to the recently proposed windfall tax to clarify what contracts will be subject to the levy. Minister for Ecological Transitional Teresa Ribera has also suggested that no further measures to contain energy prices are in the offing.

Greece

- The jump in confirmed infections on 19 October to 3,739 was the highest number of daily cases recorded since the end of August. There has been a steady increase across epidemiological indicators since last week, with an average of 2,647 cases recorded daily, almost 400 more than in the previous seven days.

- Around 61% of the total population has been fully vaccinated, leaving the country at risk of experiencing a significant surge in cases, hospitalizations, and mortality going into autumn and winter. Surveys suggest that only a small fraction of the unvaccinated population is prepared to take the jab in the immediate future.

- The main opposition SYRIZA party has gone on the offensive against the government, calling for the minimum wage to be raised to EUR 800 per month and for the consumption tax on fuel to be lowered to help Greek households squeezed by rising energy bills and skyrocketing prices of basic goods.

Poland

- The seven-day average of new infections shot up by 72% to 3,200, and deaths surged by 62% to more than 40 during the past week. Despite the growing concerns, the government does not plan any new restrictions and will instead focus on increasing public compliance with the existing sanitary measures.

- To date, 51.8% of the population has been fully vaccinated, and 1.3% received a booster dose. The availability of booster doses – currently restricted to people with immunodeficiency, medical professionals, and persons aged 50+ – is likely to be extended to all adults in the coming weeks.

- The country's diversified manufacturing industry might be better positioned to weather supply chain disruptions compared to its peers in Central Europe, which are much more dependent on the automotive sector.

Hungary

- All key epidemiological indicators are deteriorating, with the seven-day rolling average of new cases surging by 67% to 1,163, daily deaths jumping by 55% to 17, and hospitalizations increasing by 35% to 1,000 during the past week. The negative trend is set to continue, but no new significant restrictions are expected for now.

- To date, 58.5% of the population has been fully vaccinated, and 10% have received a booster dose, including Prime Minister Viktor Orban. However, the overall vaccination pace dropped to the lowest point since the start of the campaign last December and is unlikely to pick up significantly in the near term.

- A moratorium on loan repayments for individuals and companies – introduced at the start of the pandemic back in March 2020 – will expire at the end of October. Certain groups of customers can apply for an extension until the end of June.

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