

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 should you wish to discuss any of the countries mentioned in greater detail.

United Kingdom

- As the omicron wave appears to have passed, the seven-day average of new infections keeps falling; it has now dropped to around 95,000 cases, back below the mark of 100,000 cases for the first time since Christmas.
- PM Boris Johnson has announced that work-from-home guidance, Covid passes, and the requirement to wear facemasks – the government's so-called Plan B measures – will soon be dropped in England, given that deaths and hospitalizations have not risen in the same way as infections.
- The change of rules reflects the will to live with rather than fight the apparently weaker omicron variant. Still, the immediate driver is political: under pressure to resign, Johnson is trying to appease the lockdown-skeptic right wing of his party.

Germany

- The omicron wave keeps building as, for the first time ever, the number of new infections has surpassed the mark of 100,000 cases per day; the seven-day average of new infections has risen to just under 76,000 cases.
- At the same time, the number of patients in intensive care appears to be declining, pointing to less severe symptoms associated with omicron. Still, the number of non-reported cases might be twice as high, pointing to continued data collection and processing issues.
- Health Secretary Karl Lauterbach is increasing the pressure for a quick introduction of mandatory vaccinations; the respective rule changes would be required by April or May if another wave of a potential variant is to be prevented next autumn, according to Lauterbach. But overall, the government remains hesitant.

France

- The seven-day average of cases remains around 320,000, and the number of hospitalized patients due to Covid-19 continues to rise. However, the number of patients under ICU care seems to be declining, with occupancy rates above 80% only in six regions.
- The authorities are likely to maintain existing restrictions to contain the rise of the Omicron variant – such as the obligation to work at least three days from home when possible – for at least two more weeks.
- The government has decided to force EDF to sell cheaper energy to other suppliers in an effort to deliver on its promises to keep electricity price rises for consumers at 4%. The main trade unions of the sector have called a strike on 26 January as a result, but the government is unlikely to backtrack on the decision.

Italy

- The latest weekly data appear to show that the rate of contagion is slowing overall (the seven-day rolling average of new cases is just below 178,000), while hospital admissions and the test positivity rate are stable. However, health experts have warned that it is too early to say that Italy has reached the peak of the fourth wave.
- The government is reconsidering the use of its traffic light system in place since late 2020. It is unclear whether the tiered system will be altered or scrapped altogether, as Rome's strategy for dealing with the pandemic relies increasingly on vaccinations rather than restrictions.
- Almost 80% of the total population is fully vaccinated, while another 4.1% is waiting for the second dose. The third jab has been administered to 47.3% of the population.

Spain

- The seven-day average of cases remains at around 30,000, and the number of hospitalized patients has continued to rise in recent days. However, ICU occupancy across the country remains below 25%.
- Two regions (Catalonia and Cantabria) have started to relax some of the restrictions in place to contain the sixth wave of the virus. In contrast, five (La Rioja, Andalusia, Navarra, the Canary Islands, and Galicia) have extended the measures until the end of January.
- The authorities decided last week to extend the provision of third doses to the general population. Around 38% of those eligible have so far received a booster shot.

Greece

- Despite a relatively rapid de-escalation in case numbers (the seven-day rolling average of new cases is at around 19,300), the epidemiological picture continues to cause concern due to the high number of deaths and hospitalizations.
- Greece imposed a vaccination mandate on 17 January for people 60 and older, as the country's vaccination rate (69% of the total population is fully vaccinated) remains below the EU average. Older people failing to get vaccinated will face penalties, starting at EUR 50 in January and followed by a monthly fine of EUR 100 after that.
- With pressure on the public health system persisting, the authorities extended on 19 January a series of restrictions on leisure and capacity ratios until the end of the month. The government has set aside almost EUR 500 million in January to help businesses and consumers facing higher energy costs and pandemic-related curbs.

Poland

- The seven-day rolling average of new infections increased by 49%, while the number of deaths per day rose by 9% compared to the previous week. Hospital bed occupancy stands at 46%, down from 56% seven days ago. New infections are expected to reach new all-time highs in the coming weeks.
- Where possible, all public administration employees will be shifted to remote work in the coming days. The government is calling private employers to follow suit.
- The government is advancing a legislative bill that would allow employers to check the vaccination status of their employees. The bill struggled to win parliament's support in recent months. Health Minister Adam Niedzielski intends to resign unless the legislation is adopted by parliament.

Hungary

- The seven-day moving average of new infections rose by 50%, while the daily death count increased by 22% in the last seven days. Test positivity rates surged above 30%, and the Omicron variant accounts for an estimated 87% of new cases.
- The government's decision to cap the prices of certain food items concerns a relatively narrow range of products and is unlikely to limit food inflation significantly. However, the move could still prove popular within the Fidesz electorate ahead of the 3 April parliamentary elections.
- The government appears to be pursuing a more conservative fiscal policy in 2022 and is now targeting a 4.9% of GDP budget deficit instead of the previously planned 5.9%. The tightening comes after significant spending increases in late 2021 and the rollout of multiple popular spending measures (e.g., pension hikes, personal income tax rebates, public sector wage hikes) ahead of the general election.

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