

Ius Laboris Webinar

Which are the top performing countries in fighting Covid?

Thursday, 03 March 2022

10:00 – 11:00 CET



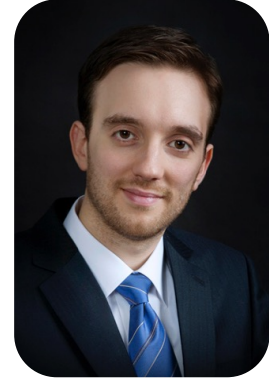
SPEAKERS



Peter Kiely, Partner
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Yulchon (South Korea)



John Tuck, Partner
The Corrs Chambers Westgarth (Australia)



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Comparing state Covid responses in 20 countries

Our report, comparing the outcome of Government responses to Covid-19, covering 20 major economies, is an economic analysis of what has worked best and worst over the last two years. Compiled and written in collaboration with human resources provider, Adecco, it offers an in-depth analysis of our collective insights into these issues.

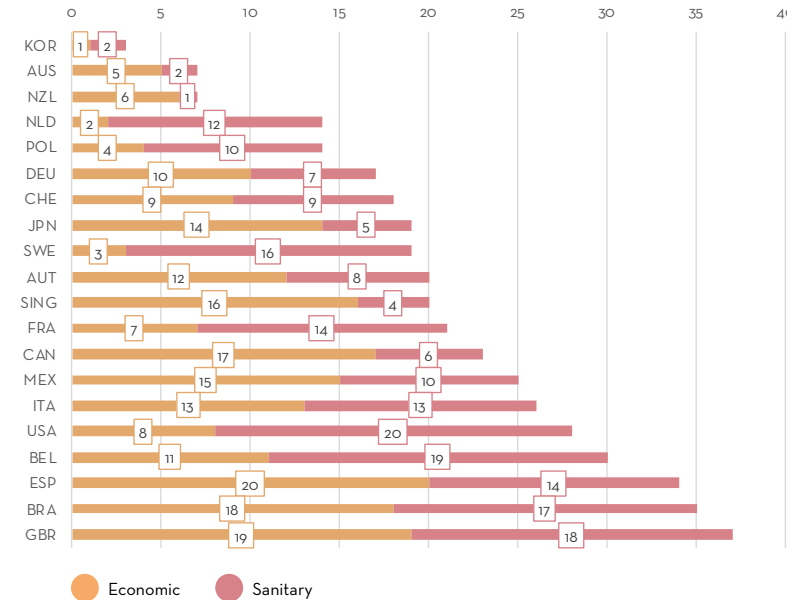
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Countries Final Ranking

Countries' final ranking during the entirety of the pandemic



Brazil and the **UK** are examples of poor management of the crisis. **Brazil** suffers from the greatest number of deaths per capita, and the employment rate of the country, as well as the stock market index, have been severely impacted since the beginning of the crisis, this despite the fact that the country has invested 9.2% of its GDP in support measures, targeted at both businesses and employees. Brazilian employers benefit from access to credit, tax deferral and subsidies, whilst workers had their access to sick pay and unemployment benefits eased or expanded as a result of the pandemic. But those measures seem not to have been enough to support the economy. In the **UK**, the quarterly GDP figure has consistently been less than the previous period, meaning the economy has not rebounded. This is also reflected in the stock market index, which is 1% less than pre-pandemic levels, whereas the index in other countries is already showing positive results. It is, however, impossible to determine whether the poor economic outcome is attributable to the pandemic, or to other factors, notably, Brexit.

While the **UK** already scored poorly in our [2020 analysis](#) (at 18th place in 2020 and at 20th in 2021), **Brazil's** score plummeted from 8th to 19th place. In our previous analysis, we noted that the country's economic performance was unexpectedly high, given the state of the pandemic. Now, it seems that **Brazil's** poor management of the health crisis has impacted the Brazilian economy's ability to cope and adapt.

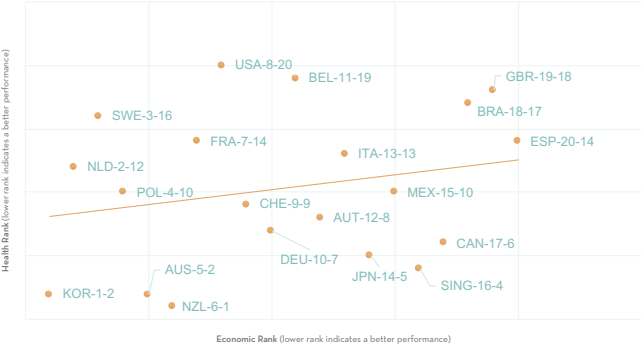
Some scores to highlight

GDP:

Over the whole period, **New Zealand** has been a champion in terms of minimising the impact of the pandemic on GDP. Whilst GDP dropped significantly in the second quarter of 2020, it rebounded rapidly from the third quarter, ensuring an aggregated growth of 13.74%. Following suit are **South Korea** and **Australia**. By contrast, **Spain** shows the worst results in terms of GDP throughout the pandemic, with an aggregated decrease of 28.23%. This has only begun to recover since the second quarter of 2021.

Protect The people

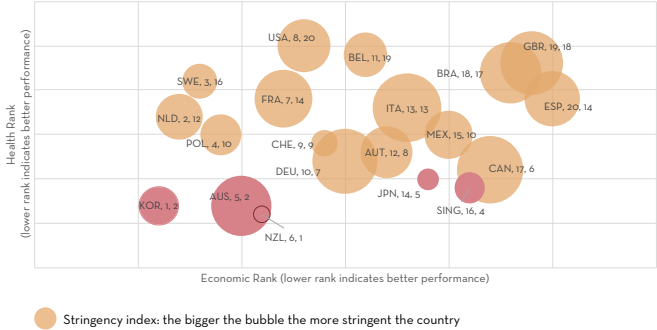
Relationship between the economic rank & the health rank
for the entirety of the pandemic



Does stringency mean efficiency?

Surprisingly, we can see that the countries that have been the strictest during the pandemic (i.e., imposing highly restrictive measures on the population in order to combat the virus, such as school closures, obligatory mask-wearing, and travel restrictions) are not necessarily the ones with the best scores in terms of infection and deaths per capita. Nonetheless, we can see that the five countries that score the highest in their management of the health crisis, **New Zealand, Australia, South Korea, Singapore, and Japan**, have something in common: they either closed their borders or severely restricted entry to the country. This may be easier for island countries to do, but it does illustrate the importance of well-directed policies.

Relationship between the economic rank, the health rank and the stringency index
for the whole pandemic



Singapore's perspective

“...Singapore mastered the recovery: The Country's economy had the strongest economic upsurge with relatively low number of Covid related deaths and highest vaccination rate, with 80% vaccinated”

Full Year GDP 2020: Contraction of 4.1% . This was the worst full year recession since our independence in 1965. Versus Full Year 2021 GDP: expanded 7.6% (with the pace in 4Q having accelerated even more).

What did we do right?

- **From the social aspects:**

- Early implementation of sanitary protocols which were enshrined in law. (Masks mandates, safe distancing regulations, “Circuit Breaker”)
- Slow and gradual relaxation of control measures
- Early engagement with Pharmaceuticals to secure supply of vaccines (first Asian country to get the Pfizer vaccine in Dec 2020)

- **From the economic aspects:**

- Substantive targeted financial support from the government. In 2020, a total of 4 budgets were made amounting to an unprecedented spending of S\$100b.
- Introducing specific laws that would facilitate an easier transition/pivoting of businesses or smoother liquidation.
- Prioritizing the resumption of mobility of human capital and goods and services

Singapore perspective

- **Why did it work**

- Trust/Deference in Government policies
- Whole of country effort in fulfilling the objectives of the policies;
- Little political interference/obstruction
- Clear and unequivocal focus and messaging

- **We are seeing some downsides**

- Outflow of foreign talent and slower pace of replacement
- Mental wellness aspects of workforce

Dealing with Omicron

- Similar to many other countries, strategy for dealing with Omicron is very different. The tag line is “Living with the Pandemic”
- 748, 504 cases to date with 1030 deaths. 95% of population vaccinated with 2 doses, and 68% of total population have received booster shots.
- Economic recovery continues. Estimate GDP for 2022 is 3% to 5%. General business sentiment remains hopeful (subject to other external factors)
- Certain safe distancing measures will be eased gradually.

South Korea perspective

- “South Korea has tamed the pandemic: the country outscores the others in scope on every level. Its economy has been relatively spared and is recovering confidently. The health system and citizens have remained insulated from the deadly virus and all of this with government spending on additional support measures at only **6.4%** of its GDP. South Korea shares the podium with Australia and New Zealand, which also show remarkable management of the crisis.”
- Potential Success Factors
 - Relatively little conflict and controversy over measures like vaccine mandates, masking requirement, testing and tracing
 - High level of voluntary compliance
 - High compliance to social cohesion?
 - Past experience?

South Korea perspective

Update as of March 2022

Relaxed restrictions + omicron → big increase in Covid cases (over 200K new cases – record high on March 2)

High vaccination status → deaths increasing but remain low, still less than 10,000 total (less than 1/100th of the US).

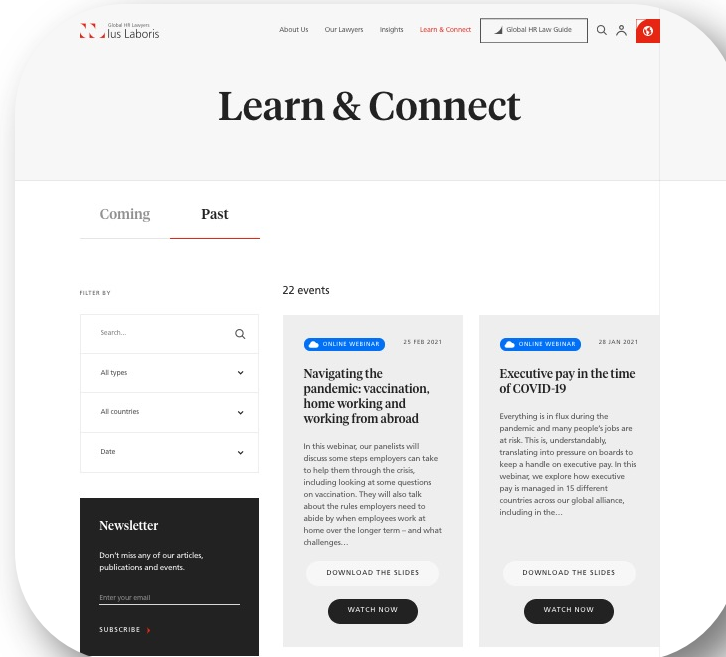
Vaccine pass system suspended + social distancing rules loosened → living with Covid to prepare for endemic

Modest fiscal efforts still in place

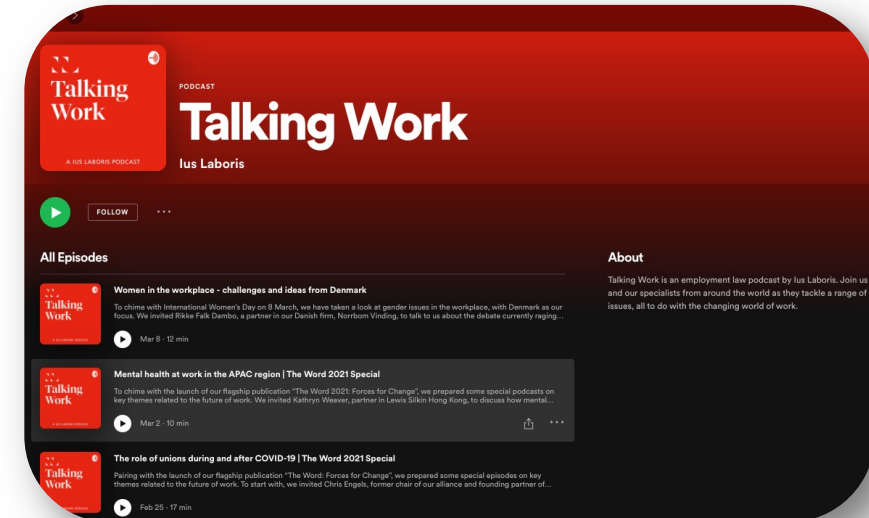
Upcoming Presidential Election on March 8

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https://open.spotify.com/show/0NpiCVfvpZrjPiVJLeEXmv?si=Xe5nbn2hToWe9uR4pK_Jjg





North America: Canada - Mexico - United States

Central & South America: Argentina - Brazil - Chile - Colombia - Panama - Peru - Venezuela

Western Europe: Austria - Belgium - Cyprus - Denmark - Finland - France - Germany - Greece - Ireland - Italy
Luxembourg - Malta - Netherlands - Norway - Portugal - Spain - Sweden - Switzerland - United Kingdom

Eastern Europe: Belarus - Bulgaria - Croatia - Czech Republic - Estonia - Hungary - Latvia - Lithuania - Poland - Romania - Russia - Serbia - Slovakia - Slovenia -
Turkey - Ukraine

Middle East & Asia Pacific: Australia - Bahrain - China - Hong Kong - India - Israel - Japan - Kazakhstan - New Zealand - Papua New Guinea - Saudi Arabia -
Singapore - South Korea - Thailand - United Arab Emirates

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