

Japan's COVID-19 conundrum

Summary

- COVID-19 winners like Japan have not been aggressive on vaccine rollouts
- The Olympics has forced Japan's hand
- Jabbing 30% of the population will significantly impact infections and lead to a re-opening of the economy

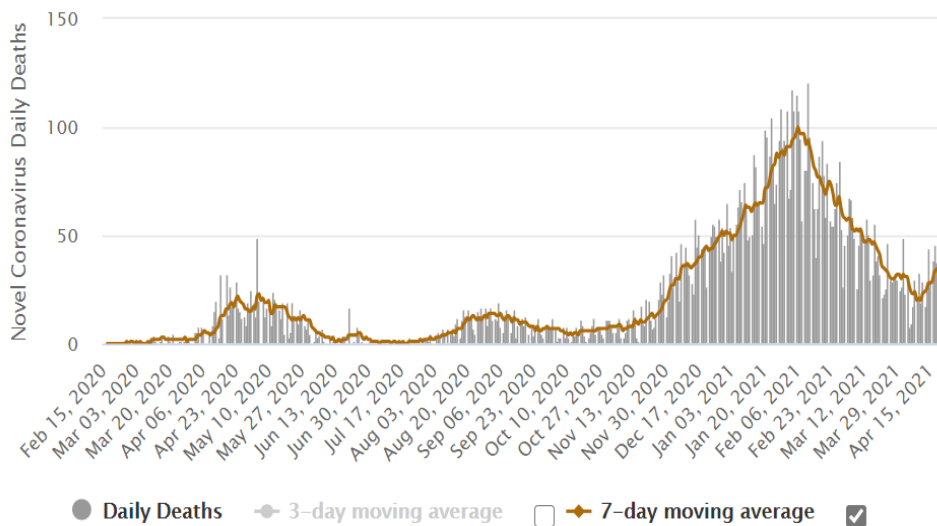
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The Tokyo City Government, along with second city Osaka and its adjacent prefectures, has just entered its third State of Emergency. Nationwide daily deaths are not yet at the record numbers seen in February, but they are still above the level of spring 2020.

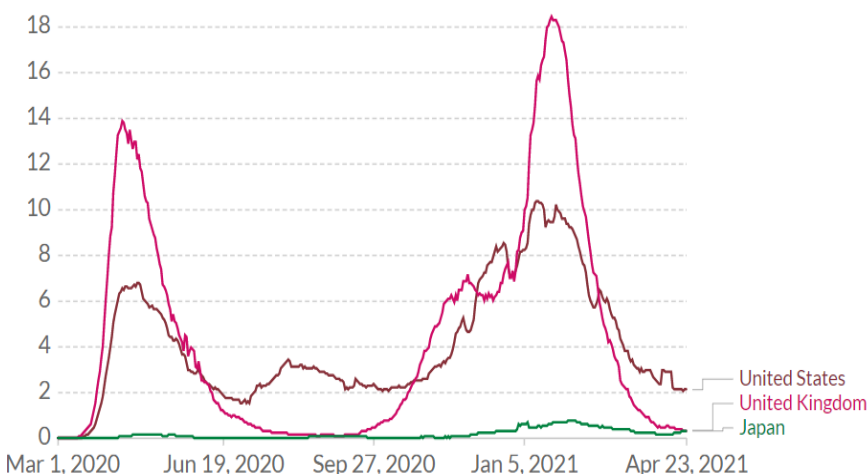
Fig. 1: Daily deaths



Source: Worldometer, data as of 24/04/2021

Meanwhile, the UK and the US are celebrating the rapid retreat of the virus and the return to normal life. Yet, even with the recent bump in Japanese numbers, the UK – after inoculating half the population – is only now matching Japan’s performance, and the US has still got a distance to go.

Fig. 2: Daily new confirmed COVID-19 deaths per million people



Source: John Hopkins University CSSE COVID-19 Data. The chart shows the rolling 7-day average of daily new confirmed COVID-19 deaths per million people.

Authors’ disclaimer: limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19

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On any reasonable definition, Japan remains a COVID-19 success story. The Bloomberg Covid Resilience Index for March had Japan at 8th, close behind China and South Korea and well above 14th placed Canada, the only other G7 country in the top 20. In 2020, Japan had negative excess mortality, meaning that less people died of all causes than in average year.

Nevertheless, the dynamics of sharply improving numbers – even if from a disastrous situation – has a strong psychological effect, and the whole COVID-19 crisis has a substantial psychological dimension. As fear fades, political leaders enjoy rising support and a widespread consensus develops in favour of re-opening the economy.

In the US and the UK, large-scale speedy vaccination programmes have been crucial in driving down the infection and mortality numbers. It is no coincidence that countries that suffered some of the worst damage from Covid have been the most aggressive in securing and administering vaccines. Likewise, countries that have successfully fended off COVID-19 have been much more relaxed.

For example, Australia – which has a cumulative COVID-19 fatality total of just 910 – is not expected to finish its vaccination programme until summer 2022. The domestic economy is in a near-normal state, but the country will probably have to remain in isolation, meaning no tourism and grisly conditions for airlines and hotels, for a long time to come.

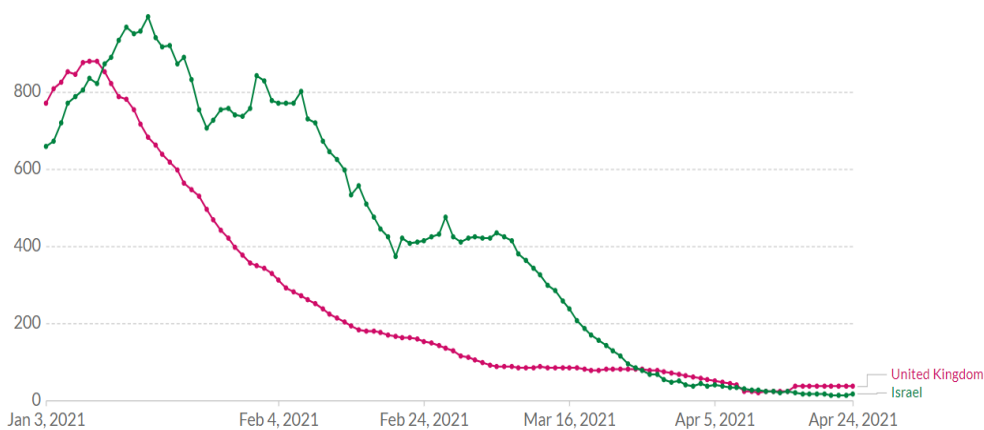
In terms of COVID-19 damage, Japan is a lot closer to Australia than the US and the UK. However, there is a special factor that has caused it to embark on a major vaccination effort. That is the Tokyo Olympic Games, due to start on July 23rd. The Japanese Government has invested a good deal of political capital in the Olympics and is desperately keen for them to go ahead, even with no foreign spectators or, in extremis, no spectators at all. It certainly does not want the stigma of being the only country to have missed out on the Olympics twice, the 1940 Tokyo Games having fallen victim to the Second World War.

One of the purposes of Prime Minister Suga's recent visit to the US was to secure plentiful stocks of vaccine during his talks with President Biden. That was duly accomplished, with the CEO of Pfizer commenting on Twitter that he was proud to do all he could to enable a safe Olympics.

Japan's general vaccination programme will start after the Golden Week holiday, on May 10th. The priority demographic, the over-65s, comprises some 30% of the total population. The target is for 18 million Pfizer jabs to be administered in the first two weeks, and the entire elderly population to have had the double dose by the end of July. According to Suga, by then less vulnerable people should be receiving the vaccine too. Just to be on the safe side, Japan will speed-approve the Astra Zeneca vaccine in mid-May.

Judging by the precedents of the UK and Israel, Japan's vaccination programme should have significant effect on infections once it gets fully underway. In the UK, 30% of the population having one or more jab maps has led to a 75% decline in the rate of infection. In Israel, the decline was slower but still significant at some 40% from recent peak.

Fig. 3: Daily new confirmed COVID-19 cases per million people



Source: John Hopkins University CSSE COVID-19 Data. The chart shows the rolling 7-day average of daily new confirmed COVID-19 cases per million people.

Authors' disclaimer: the number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Different social habits and different levels of infection may lead to different outcomes. For example, it could be more difficult to reduce levels of COVID-19 infection which are already at extremely low levels in international terms. Even in such a case, the availability of vaccines and the ability to protect the old would be a huge psychological boost in Japan, raising confidence levels amongst government officials and ordinary citizens and, hopefully, making Tokyo's current state of emergency its last.