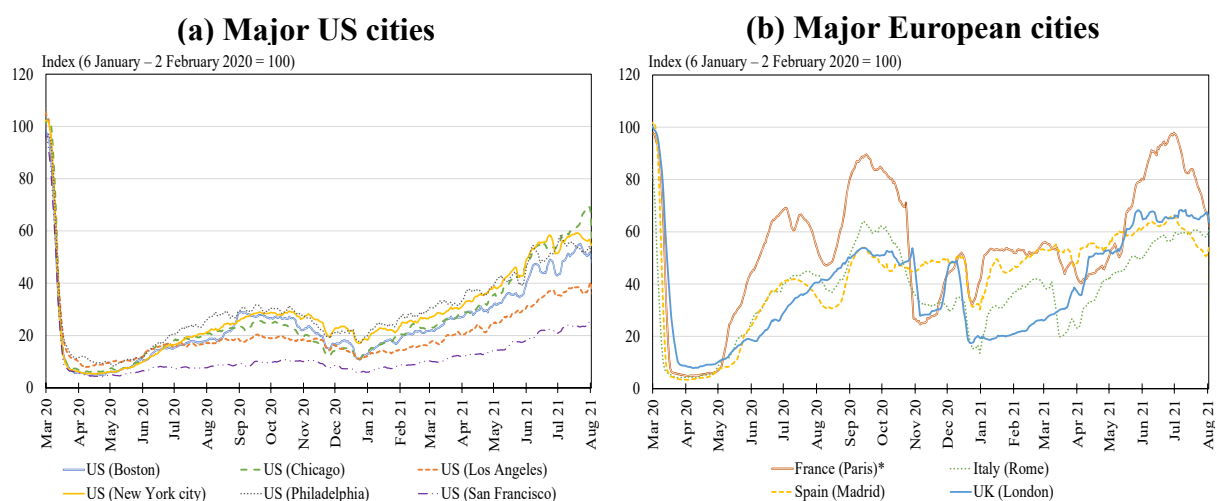


Box 2.1**Revival of people's mobility in the US and Europe alongside the receding pandemic**

The COVID-19 pandemic and resultant social distancing measures once caused serious disruptions to daily lives and a wide range of economic activity. Yet, people's mobility in major economies have been reviving gradually on the back of the receding epidemic and the progress of mass vaccination. This box article reviews how mobility in the United States (US), the European Union (EU) and the United Kingdom (UK) evolved in tandem with epidemic development over the past year or so.

According to the Citymapper Mobility Index⁽¹⁾, mobility levels of major US and European cities saw drastic drops starting from March 2020 when the epidemic began to spread rapidly (**Chart 1**). For example, the indices for New York, London and Paris, with their pre-pandemic levels setting at 100 for benchmarking, plunged to single-digit levels in early April 2020 after strict national lockdowns were imposed. Mobility rebounded somewhat in the third quarter of 2020, but declined again towards the end of last year due to the resurgence of COVID-19 infections. Nonetheless, the mobility levels in the fourth quarter of 2020 were not as depressed as in the second quarter of 2020, as anti-epidemic measures imposed by governments turned more targeted and overall less restrictive, thus causing less disruption.

Entering 2021, people's mobility in the US and Europe trended up again thanks to favourable developments in mass vaccination and epidemic control there. In the US, mobility has been steadily rising since the beginning of 2021 alongside the progress of mass vaccination (**Chart 2**) and the continued relaxation of restrictive measures. The situation in the UK was largely similar. In continental Europe, mobility showed diverse movements across major cities in the first quarter but generally took a dive in March amid a resurgence of COVID-19 cases. Yet mobility increased more visibly since April as improved epidemic situation enabled a gradual relaxation of restrictive measures⁽²⁾. The mobility indices⁽³⁾ of New York, London and Paris rose from 38.3, 52.9 and 49.9 respectively in early April to 56.0, 71.0 and 73.0 respectively in early August.

Chart 1: Mobility level of major cities during the pandemic

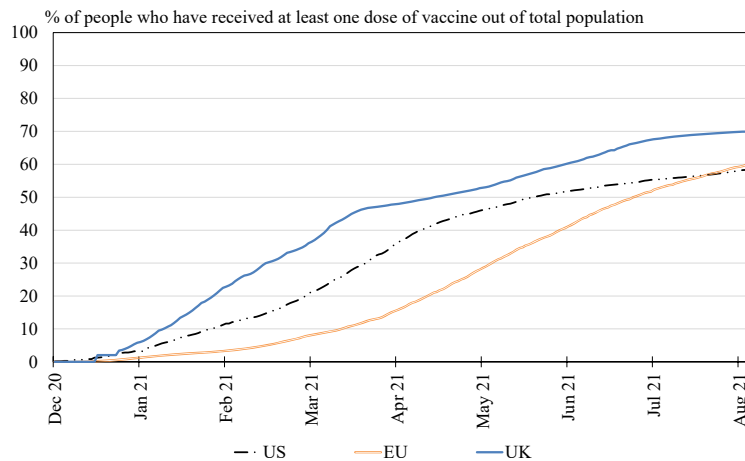
Sources : Citymapper Limited (Citymapper.com/CMI).

Note : (*) The reference period for Paris is 3 February – 1 March 2020.

- (1) The index is compiled by Citymapper Limited to record the change in mobility through assessing the difference in number of trips planned against a benchmarking period (6 January – 2 February 2020).
- (2) Although the UK started fast in COVID-19 vaccination, mobility level in London remained low as compared to other European cities in the first quarter of 2021 as the UK government then imposed more stringent restrictive measures than those in continental Europe.

Box 2.1 (Cont'd)

Chart 2: Vaccination rates in the US and Europe

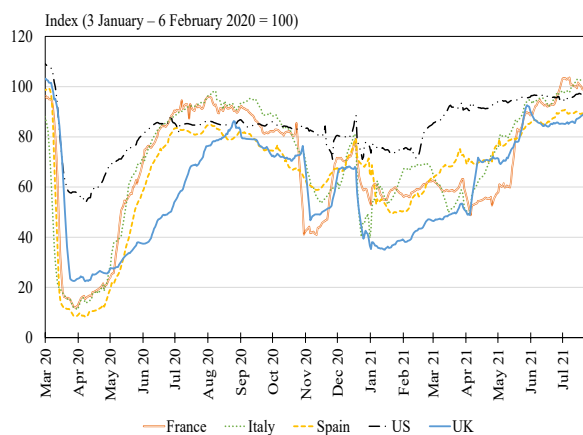


Sources : Our World in Data and internal estimations.

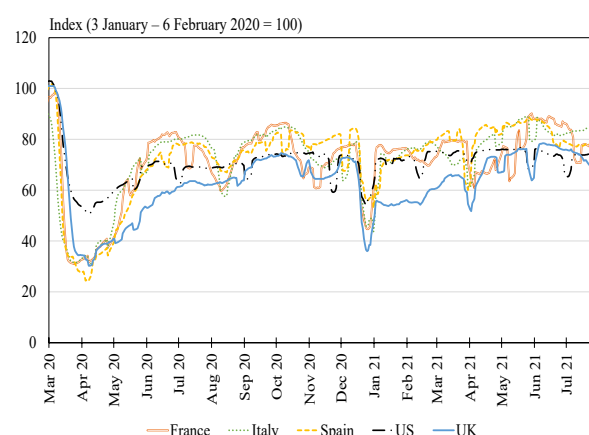
As noted earlier, the nature of restrictive measures imposed by governments would have a material impact on people’s mobility. Analysing mobility indicators published in the Google Community Mobility Report⁽⁴⁾, which provides data corresponding to different categories of destinations such as retail and recreation, workplaces, groceries and pharmacy, as well as transit stations, can help demonstrate the relation. As shown in **Chart 3a**, people’s mobility with respect to retail and recreational destinations appeared to be more sensitive to the epidemic situation and showed higher volatility, as such kind of activity was typically subject to stringent restrictions when epidemic situation deteriorated. In contrast, workplace-related mobility tended to be more stable aside from a notable drop seen in the early part of 2020 (**Chart 3b**), as people were generally allowed to go to work during the second wave of epidemic in the US and Europe⁽⁵⁾.

Chart 3: Impact of restrictive measures on different destinations

(a) “Retail and recreation” index



(b) “Workplace” index



Source : Google Community Mobility Report.

- (3) Mobility indices presented in this box article refer to seven-day moving averages so as to smooth out fluctuations within a week.
- (4) The Google Community Mobility Report is based on Google Maps data and charts movement to places with reference to a benchmarking period (3 January – 6 February 2020).
- (5) Please refer to “Box 2.1 Comparison of economic situations in the US and Europe during the first and second waves of COVID-19 epidemic” in *First Quarter Economic Report 2021* for further details.

Box 2.1 (Cont'd)

The rollout of mass vaccination has been a key factor underpinning the resumption of people's mobility this year. As at 1 August, some 70% to 85% of the population aged 14 above (or 58% to 70% of the total population) in the US, the UK and the EU had already received at least one dose of vaccination. In view of the increased vaccination rates, governments in the US and across Europe have become more confident to relax social restrictive measures and plan for broader-based economic reopening. For instance, curfews in France and most of Italy ended in June alongside the abolition of compulsory mask-wearing in most outdoor public settings. Germany announced in June that working from home was no longer compulsory starting July. In the UK, almost all restrictions have been lifted in England since 19 July 2021. Limits on gatherings and social distancing were also gradually lifted across all US mainland states over the past months.

While restrictive measures in the US and Europe are being gradually revoked, there are increasing concerns as to whether this will lead to a relapse of the epidemic, particularly so as the more infectious Delta variant has been raging in many places of the world recently. Indeed, the UK has seen a surge in the number of variant cases of late, though the mortality appears to be much lower than the previous waves of the epidemic. After all, the pandemic development will remain a key source of uncertainty to the global economic outlook in the near term. The Government will continue to monitor the situation closely and continue to promote the community's active participation in the COVID-19 Vaccination Programme, so as to create favourable conditions for broader based revival of economic activities.