BANK OF ENGLAND

Andrew Bailey
Governor

Rt Hon Mel Stride MP
Chair of the Treasury Select Committee
House of Commons
London
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Dear Mel,

At the Treasury Committee hearing on Monday 23 November, each of us discussed some of the emerging academic research in economics that combines the fields of macroeconomics and epidemiology.

This new work, which has become known as 'epi-macro', aims to jointly model the multiple interactions between the spread of Covid, the restrictions imposed by governments to contain that spread, and the economic impacts of the restrictions and of behavioural responses to the virus itself. Consequently, it can attempt to answer questions about the economic costs and benefits of different public health policies. At the hearing, you requested that we send you more information about this work.

To that end, we enclose with this letter three items, described below, which summarise different aspects of this emerging literature.

1. **Speech given by Professor Tenreyro on 15 July 2020, titled 'Covid 19 and the economy: what are the lessons so far?'**

In this speech, Professor Tenreyro described some of the findings from the rapidly developing body of work on the economic impact of Covid, as well as the insights she had drawn for her own monetary policy decisions. Pages six to eight of the speech focus on the types of economic model she discussed at the Treasury Committee hearing.

2. **Briefing by Bank of England researchers (Cristiano Cantore, Federico Di Pace, Riccardo M Masolo, Silvia Miranda-Agrippino and Arthur Turrell), titled 'Epi-macro 101', which was published on 7 August 2020 on the *Bank Underground* blog.**

3. **Briefing by Bank of England researcher (John Lewis), titled 'Extensions to the SIR model', which was published on 30 November 2020 on the *Bank Underground* blog.**

These two briefings are part of a special series of 'Covid-19 Briefings', published on the *Bank Underground* blog by staff at the Bank of England. These are written by individual Bank researchers with the aim of summarising the literature in a neutral fashion. As with any post on our staff blog, they are not necessarily the official views of the Bank. The first briefing is an introduction to some of the earliest papers in the new 'epi-macro' area. The second surveys some of the adaptations to the basic setup which have since emerged.

All three items aim to summarise some of the most influential new economic research on different aspects of Covid-19. But given the vast amount of new work in these areas, they are by no means exhaustive, representing only a small proportion of this literature.

Yours sincerely

Andrew Bailey