## Leaders

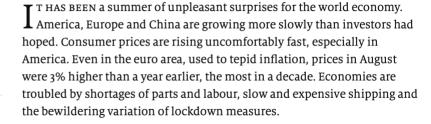
Sep 4th 2021 edition >

## Delta and the world economy

## How the pandemic became stagflationary

As the virus has changed, so has its relationship to the economy

Sep 2nd 2021













Recommended



virus valleting growin, as waves of infection causea a sudden stop in activity, and prices moderated or even fell. Delta, by contrast, looks like a stagflationary force that is sapping growth less dramatically but firing up inflation.

Delta is weighing on consumer spending in the rich world but not causing a collapse. In countries with lots of vaccine, cases are no longer doing as much to stop consumers from moving around. Europe's service sector has reopened amid its Delta wave.