

Leaders

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Danger ahead

What the Omicron variant means for the world economy

Look to China for the likeliest source of a growth slowdown

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Vexing variants and worrying weeks

It is not all gloom. The world will not see a re-run of the spring of 2020, with jaw-dropping drops in GDP. People, firms and governments have adapted to the virus, meaning that the link between GDP and restrictions on movement and behaviour is one-third of what it was, says Goldman Sachs. Some vaccine-makers expect fresh data to show that today's jabs will still prevent the most severe cases of the disease. And, if they must, firms and governments will be able to roll out new vaccines and drugs some months into 2022. Even so Omicron—or, in the future, Pi, Rho or Sigma—threatens to lower growth and raise inflation. The world has just received a rude reminder that the virus's path to becoming an endemic disease will not be smooth.