

ECONOMIC PULSE

THE DELTA VARIANT SPREADS ITS WEB OVER THE WORLD

The Delta variant (initially identified in India and more contagious than the Alpha variant that emerged in the UK) is on its way to becoming the dominant strain of Covid-19 and has now been found in some 105 countries. Between 30 June and 7 July, the global number of new Covid-19 cases increased by 8% on the previous week. After several weeks of falls, Europe has seen renewed increases, with a 50% jump over the same week. There were also increases in Africa (29%), North America (20%) and Asia (13%). However, South America saw a 21% fall (Chart 1). In the face of this situation, vaccination campaigns continue to gain ground. 25% of people have now received at least one dose, and several countries, notably in the European Union, have moved past the symbolic threshold of 50% of their populations (Chart 2).

Despite the health situation, visits to retail and leisure facilities remained strong, returning to their summer 2020 levels and marking a return to something close to normal in all advanced economies (Chart 3). Even so, at the beginning of July, visit numbers were still below their pre-crisis levels by between 14% in the UK and 3% in France. Belgium was the only country to have fully returned to pre-pandemic levels (6% above the benchmark).

Lastly, it is worth noting the recent rebound in the weekly substitute indicator for year-on-year GDP growth in most of the major developed economies, with the exception of Spain and the US, where it continued to weaken (Chart 3). This indicator is produced by the OECD on the basis of data from Google Trends for searches relating to consumption, the labour market, housing, industrial activity and uncertainty. It is worth keeping in mind that these figures may in part reflect base effects.

Tarik Rharrab

Google Mobility Reports show how visits and length of stay at different places change compared to a baseline. The baseline is the median value, for the corresponding day of the week, during the 5-week period Jan 3–Feb 6, 2020. A figure of negative 30% indicates that traffic was down 30% compared to a baseline. The reports show trends over several weeks with the most recent data representing approximately 2-3 days ago—this is how long it takes to produce the reports. In order to smooth the series, we use a seven-day moving average of the raw data in the Google Mobility Reports. Source: Google.

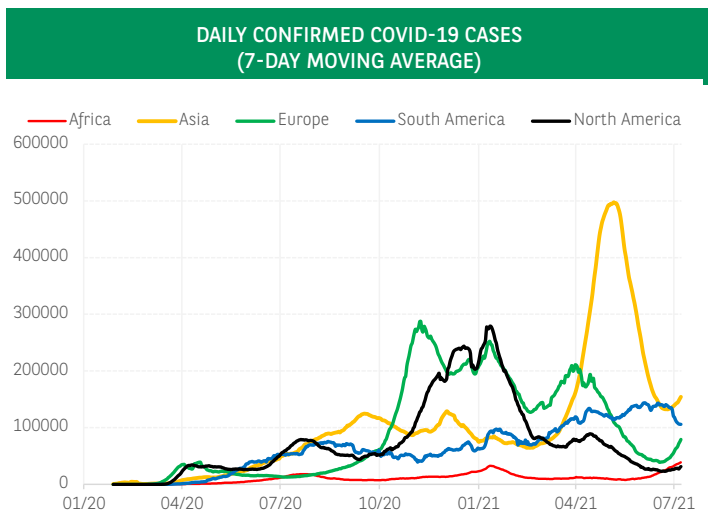


CHART 1

SOURCE: JOHNS-HOPKINS UNIVERSITY (07/07/2021), BNP PARIBAS

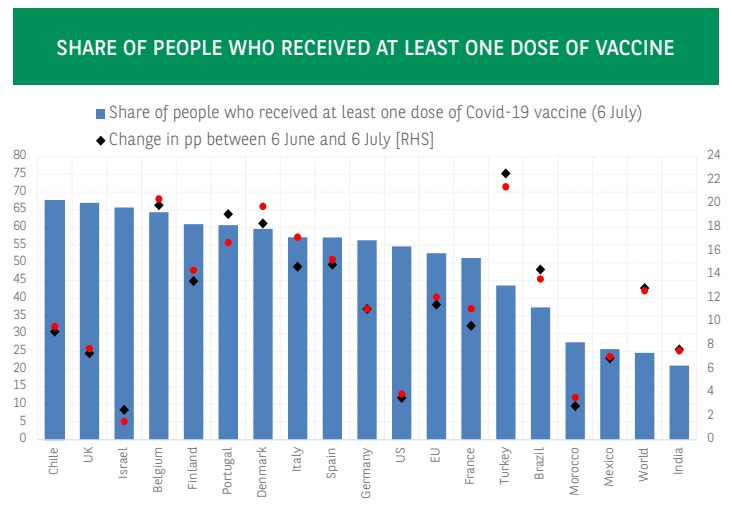


CHART 2

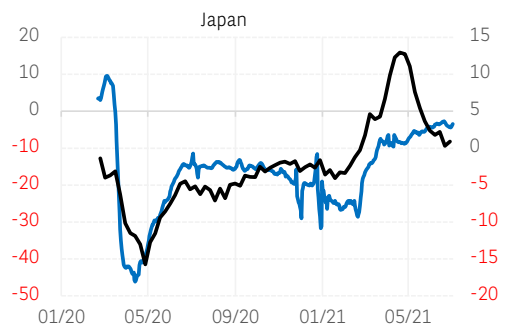
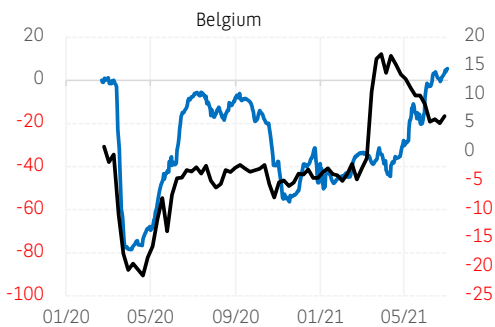
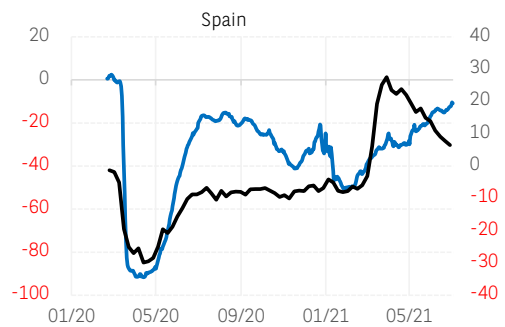
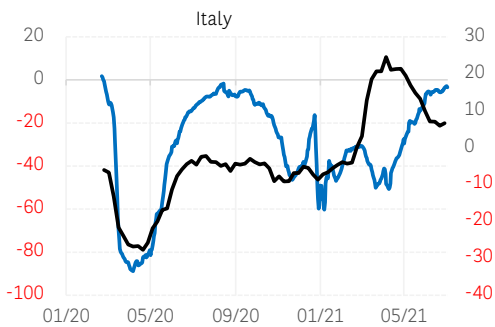
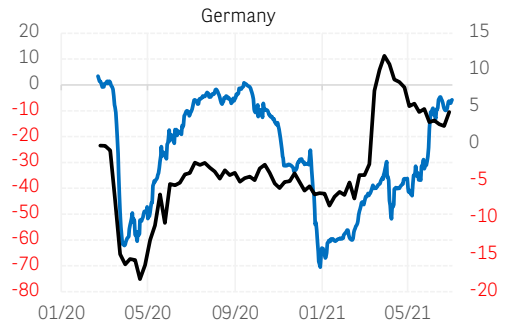
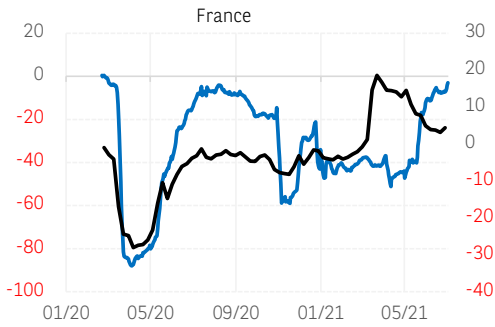
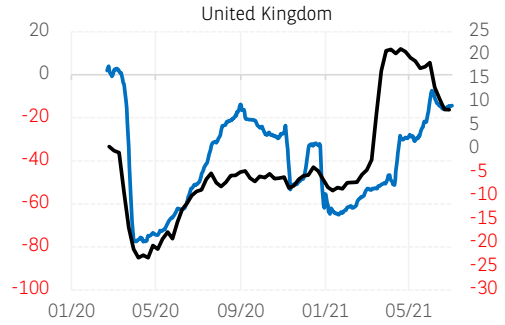
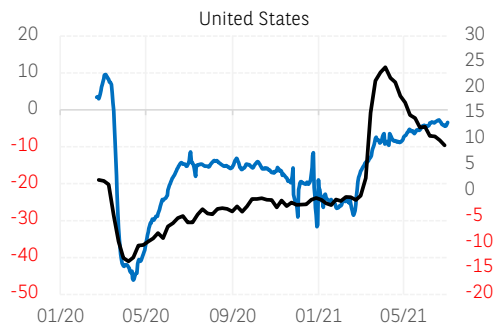
SOURCE: OUR WORLD IN DATA (07/07/2021), BNP PARIBAS



RETAIL AND RECREATION MOBILITY & OECD WEEKLY TRACKER

— Retail and recreation mobility (7-day moving average, % from baseline*)

— OECD Weekly tracker, y/y GDP growth [RHS]



SOURCE: OECD (07/07/2021), GOOGLE (07/06/2021), BNP PARIBAS

