

China: what zero tolerance, supply chain disruption and floods mean for economic growth

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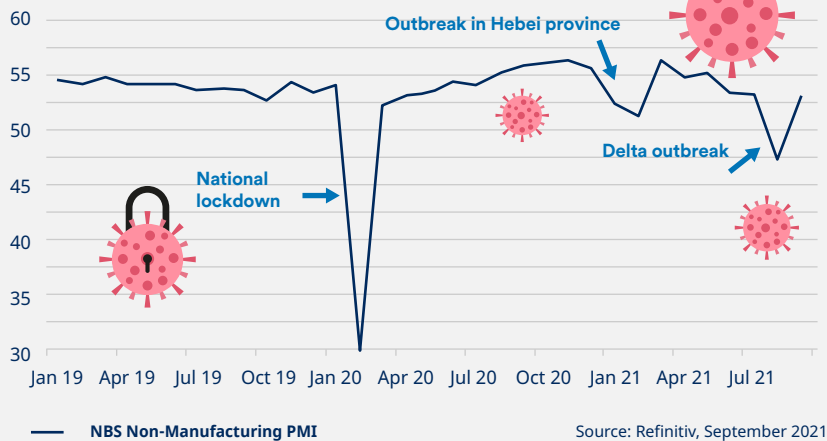
We have lowered our forecast for growth in China this year

Business surveys point to activity lost due to

- Covid outbreaks
- Disrupted supply chains

The **purchasing managers' index (PMI)** for China's services sector **dipped below 50** in August, indicating a period of contraction, before recovering in September

Measures to contain the Delta variant appear to have hit activity hard in August



How's vaccine inequality driving up global inflation?

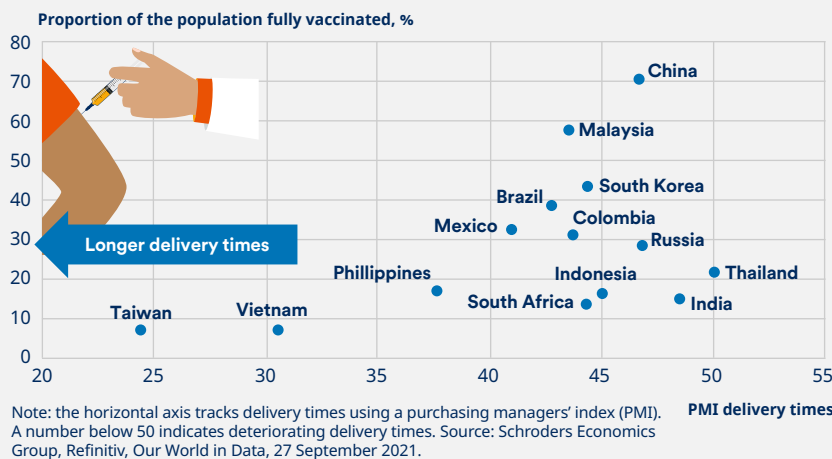
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Poor Covid vaccine distribution is disrupting local supply chains

Many **emerging market countries** are suffering longer delivery times

Vaccine inequality is having an economic impact on a global scale, with rising global delivery times pointing to higher inflation

Under-vaccinated EM countries have longer delivery times

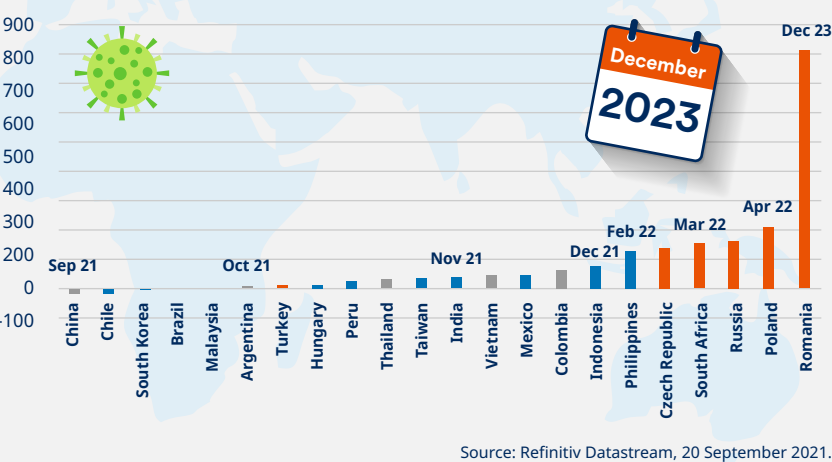


Which emerging markets are most at risk from future Covid outbreaks?

Low vaccination rates have meant that outbreaks of the Delta variant have caused disruption across Asia and in South Africa

On the positive, **most major emerging markets are on course to have delivered at least one dose to 70%** of the population before the end of 2021

Days until 70% of population receives at least one dose of vaccine



Source: Schroders as at October 2021.

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