

Covid-19: Impact on Global Economics

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Abstract: Around 200 nations are into lockdown, and all around the world global businesses are working in terror and that in future financial conditions will fall. Especially developing countries are slow in the growth of economics. Let us see how the corona virus is going to impact businesses and economic conditions.

All over the world is facing the challenge of covid-19. Here we will discuss why Covid -19 will affect the economy globally, and the whole world has been hit by this pandemic. We all are the witness of this reality and facing this situation which is more terrifying than narrative. Covid-19 coronavirus is a threat for everyone since it comes from Wuhan China. Lot of people died for corona around the world. After the spread of coronavirus around the world in each country is a lockdown. Human living costs immediately become high. In this paper we will discuss that due to lockdown what impact will be on the global economy of post Covid-19.

Key Words: - China, covid-19, Wuhan, global society, Global economy.

JEL Code O40

I. INTRODUCTION

Not only one county is facing problems with Covid-19. All over the world the grab of Covid-19. Covid-19 problem arises from coronavirus. Actually it came from Wuhan city in China. First this corona virus comes in Wuhan and then it spreads around the world, and slowly slowly it spreads from one country to another country and now the whole world is surviving from coronavirus. All countries were facing problems with coronavirus. The symptom of this virus is that human beings suffer cough, high fever, and smooth breathing. This infection was spreading from human to human body.

A newly founded disease which is an infectious virus is (COVID-19) by WHO. Corona virus firstly spreads through discharge from the nose when any person who is already infected from coughs and sneezes. So it was very important to take care of you and to be protecting themselves from this virus. It was well informed about the COVID -19, how to protect and diffuse this virus. To be far from an infected person, washi Not only one county is facing problems with Covid-19. All over the world the grab of Covid-19. Covid-19

problem arises from coronavirus. Actually it came from Wuhan city in China. First this corona virus comes in Wuhan and then it spreads around the world, and slowly slowly it spreads from one country to another country and now the whole world is surviving from coronavirus. All countries were facing problems with coronavirus. The symptom of this virus is that human beings suffer cough, high fever, and smooth breathing. This infection was spreading from human to human body.

A newly founded disease which is an infectious virus is (COVID-19) by WHO. Corona virus firstly spreads through discharge from the nose when any person who is already infected from coughs and sneezes. So it was very important to take care of yourself and to be protecting themselves from this virus. It was well informed about the COVID -19, how to protect and diffuse this virus. To be far from an infected person, washing your hands till 20 seconds use alcohol based rub sanitizer and not to touch eyes nose, mouth and face. This is the best way to protect them. Right now there is no treatment or vaccine for coronavirus infected. Though continuously all countries of scientist doctors are working on possible treatment. Time to time WHO is updating information.

Countries that are on lockdown because of corona virus.

Coronavirus spread around the world and there is not any treatment to fight with new diseases. To beat the corona virus it has come to know that if the coronavirus didn't get to the human body, then after 72 hour it will kill. To succeed in this process there was only one solution for Each and every country's president and prime minister to lockdown their country. To save their country's people they decide to keep them in isolation so viruses cannot catch the human body.

II. OBJECTIVE

The major objectives of this research paper is as follow

To know what is Covid 19

To know how it will effect on Global economy

To know how Covid 19 hurt everyone.

Covid -19 Impacts: Global economy could minimize almost 1% in 2020

Due to coronavirus pandemic global economics might be reduced in size up to 1% in 2020. it was predicted that it is about to face 2.5% growth, the United Nation has warned that if restriction will increase more then it will affect the economy. For international Trade and global supply chain pandemic coronavirus is trouble making. According to the analysis of the UN Department of Economic and social Affairs (DESA). All over the world around 100 countries boundaries were closed since the corona virus spread from one country to another country, the living style has changed and it has affected business, retail sector, tourism, education, industries etc. Millions of people are losing their jobs and facing problems. In the future 0% growth rate will fall in every sector.

All countries' governments are trying to handle their economy should not fall. They are thinking about incentive packages that do not cause global economic recession. In bad situations the global economy would go down 0.9%. Before the epidemic of the Covid-19 the analysis of growth rate was 2.5% expected in 2020 by the analysis of World Economic circumstances and forecasting of 2020. Economic scenario is changing speedily, keep this in mind UNDESA 'world economic has forecasted that in 2020 global growth guess may be best or worst.

In good condition also private consumption, export and investment will fall.

G-7 countries and china global growth rate would fall 1.2% in 2020. And in the bad condition the global output would be 0.9% fall in the place of growing 2.5%.

Actually it will affect the economy due to two reasons, one the people are restricted to go anywhere and secondly Economic action is not running properly and the main economic will come in crisis.

Covid -19 pandemic will hit following sectors

III. SERVICE SECTOR BEING HIT

Due to the corona lockdown service sector hitting hard in Europe and North America. Most of the part is in the retail sector, hospital, mall, cinema tourism, industries, Education recreation and transportation Sector. The unemployment will enlarge stridently. Due to this, demand will increase and supply will fall down. In this pandemic situation the government should have to design any special incentive package to support most important household products health related. Need urgent policy not to and the pandemic situation need to save life and also to control economic conditions.

IV. DECREASE IN IMPORTS

The survey has informed that if this lockdown is extended it will not affect developing countries economic will also fall in developed countries trade and investment channels. Due to long term lockdown developed countries import and export will also affect. Those developing countries dependent on export of goods and services and tourism it will face

Sensitive economic risks. Covid-19 will not only hit developing countries, it will also hit the developed countries. Globally there will come slowdown in manufacturing products; lot of workers will lose their jobs. Tourism will also be affected due to visitors not visiting tourist places.

In the meantime, the turn down of product manufacturing and financial crises will increase in many countries. In this pandemic situation the government has to stop public expenses because they spend money for the hold pandemic and to help in investment and utilization.

V. TOURISM

In the response of pandemic a report comes that all of worldwide travel has been restricted by government. All over completely 90% destination of tourist places has been closed, the world tourism organization said, due Covid -19 pandemic in the global tourism industry millions of people will lost their jobs.

Earlier UNWTO has observed and monitored that of travel that now trend is more opened then previous .Though corona virus has radically disturbed all this. Since January 2020 around the world all tourist places are compulsory closed there is complete ban on all travel. Firstly Government has focus on his public health and announced fully closed to travel. Before on other event had effected to travel and tourism but covid-19 has effected both this badly.

Lot of people will lose their job and the benefits are under danger, and progress will stop and economic sustainability will go back.

VI. EDUCATION

Worldwide lockdown has disturbed the education institutions also .It is going to be a major issue for the students, a lot of exams have been cancelled, study disturbances, interruption in internal assessment, assignment students placement all has been affected by coronavirus.

A world of hurt: how pandemics such as COVID-19 affect the global economy

It is clearly known that pandemics are the largest pressure on the global economy since the corona virus came into the world. Although the world know about the Covid 19 in December first person who fell ill in that month with this diseases in Wuhan city china .and it has spread from Wuhan city China to country Japan, Italy, France and Spain lot of people were infected with coronavirus it spread from a man to man .and slowly slowly from county to another country. To prevent this virus every country has only one option that is lockdown.

In Feb 24 by the World Health Organization (WHO) Un Secretary –General Antonio Gutteres told that if all will not do this which required it will become out of control to handle and it will be a remarkable penalty for global health and global economic .

It was forecast by the oxford economics that this virus has hit the global economy \$1.1 turn in lost income in 2020.Covid -19 had cleared seriously that this pandemic is not only creating a big risk for human life, it also hit the economy.

Due to Covid -19 and solution was only to keep social distancing and to be in quarantine around every lockdown. Around 16 cities of Chinese were closed .We can see in photographs pictures of Wuhan city roads are empty, airports are closed malls and restaurants are closed .These all pictures show how it will hit business and consumer consumption, and it will hit the nation 's economy. Francoise Huang, Senior Economist for Asia-Pacific at Euler Hermes said, if we see on demand side customer spending has hitted as they are spending earlier. Business activity in every sector were declined as entertainment, tourism and retail sector due to coronavirus

VII. UNDER LOCK

WHO declared emergency due Covid 19 worldwide and declared no need to interfere in international travel and trade. Though it does not look like good advice, public health advisers have a lot of reasons to ban travel and to be quarantined. Behind quarantine means to protect the people from infection by infected people.

Declaring Compulsory travel ban and quarantine is a big important question of economics which shows the current financial data of china. In the 14th century, a travel ban had impacted less on the economy today, the worldwide travel industries supporting approximately 10 jobs around the world and the worth estimate is \$5.7. Additionally, many of them suppose that doing travel bans are fruitless.

In Feb second week it was found that the confirmed case dropped more than 80%. China started to control it. Some experts question this figure and focus on political pressure. President Xi Jinping started to hold his economy.

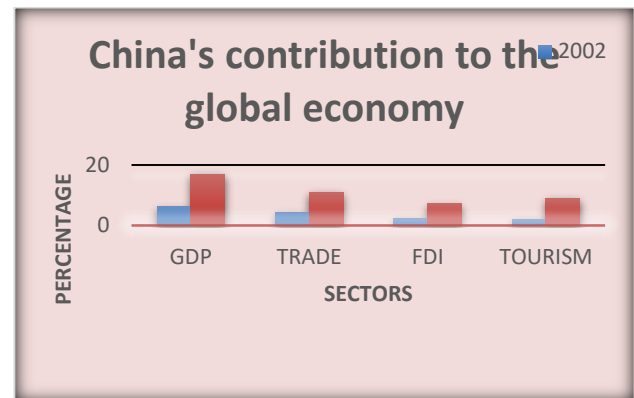


Fig-01

Above pic shows China's contribution to the global economy. In the trade sector 2002 it was 4% and now in 2019 it is near 11 %. In FDI 2002 it was 2% and now in 2019 it is near 7% and same in tourism 2002 it was 2% and now 2019 are near to 9%. Earlier 17 years ago China GDP was 6%, presently it is near to 17% (see Fig 1) according to this result China can bear his economic shock longer in the country by the attack of Covid-19.Unhealthy profits.

Corona virus to have larger impact on global economy than SARS:

IHS Markit said that coronavirus will impact the big part of the world's biggest economy. It will affect industries. IHS Markit has informed us that it will have a negative impact on the world economy. With 4.2% of world GDP China was the sixth biggest economy, now china is second biggest economy with 16.3% of global GDP. For the coronavirus reason slowdown will throw back china economy also, it will decrease 0.8% global GDP.

This situation says that it will decrease global GDP by 0.4%in 2020.The corona virus has mostly affected household utilization products and also affected industries because nowadays due to lockdown it is unused.

Corona virus: It was estimated that India's growth rate will be decrease to 5.3% in 2020.

Global macro updated for March that coronavirus has come out from china and spread everywhere in the world. It seems that if it spreads speedily like this then it will reduce global economic and fall Q2 this year. Due to coronavirus moody investors service has estimated a decrease growth rate from 5.3 to 5.4 %. It was forecasted that globally the number of

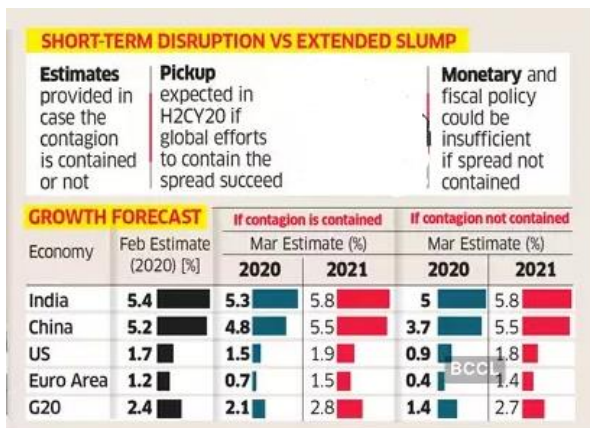
coronavirus cases would increase and due to this pandemic travel would be banned till April June period.

It is expected that, in the month of June consumption and investment will be affected and the cost of goods and oil price may decline. The forecast for G20 economies to 2.1%, 0.3% less than earlier baseline. From the previous year China's growth rate also decreased from 4.8% to 5.2%. Now America growth has been expected to be 1.5%.

Covid-19 to Hurt Global Growth H1Y20



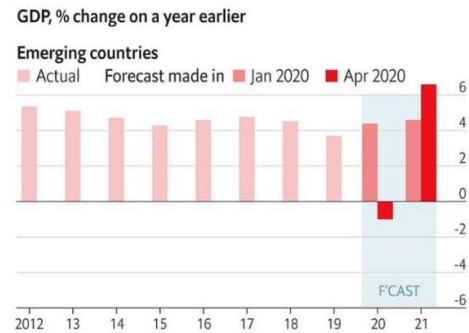
Growth Forecast



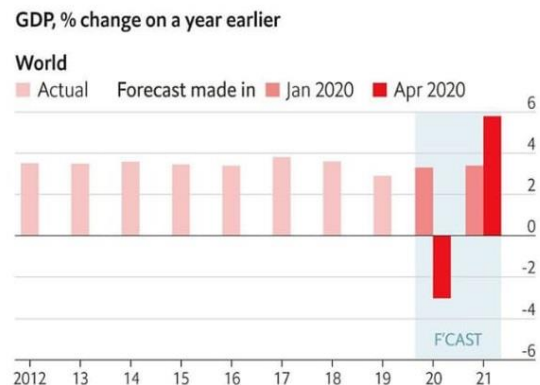
For India growth forecast is lower than 5.3 % to 5.4 % GDP in february. For this analysis it is clear that due to coronavirus global economy will fall in 2020. which will affect all trade across the countries.

The Global economy is expected to shrink by 3% this year

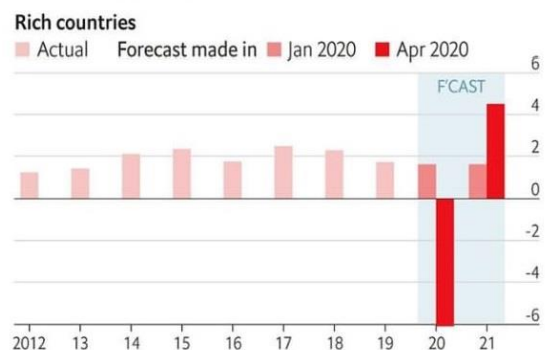
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GDP, % change on a year earlier



In the month of January the IMF predicted the world economy would grow 3.3% in 2020. But since the coronavirus came the scene has been changed. All the countries are under lockdown which has affected all sectors and it is hitting the global economy.

Now what the differences has come from few month come as in the starting of January International Monetary Fund is predicting 3.3% now it's predict that it will shrink 3% the

fund reckons that the countries that for about 70% of global GDP is purchasing power parity terms will fall into recession as the block at the end of each of these charge show growth will bounce back once the pandemic passes the fun expects rich countries to grow by 4.5 % and poor ones by 6.6% in 2021.

Which Rich countries economics may be hit hardest by the Covid-recession?

Three factors has been measured by the economist; a country's industrial structure, the composition of its corporate sector: and the effectiveness of its fiscal we can see by below chart these three charts will show us how selections of countries score.

Covid-19's economic casualties

OECD countries, vulnerability to lockdowns, April 2020

Vulnerability score Rank out of 33, 1=most vulnerable		Jobs that cannot be done from home, %
(1)	Greece	68
(3)	Spain	68
(5)	Italy	65
(15)	France	62
(23)	Japan	67*
(28)	Sweden	56
(29)	Germany	63
(31)	Britain	56
(33)	United States	58

Covid-19's economic casualties

OECD countries, vulnerability to lockdowns, April 2020

Vulnerability score Rank out of 33, 1=most vulnerable		Retail, transport and hospitality, % of GDP
(1)	Greece	23
(3)	Spain	24
(5)	Italy	21
(15)	France	18
(23)	Japan	22
(28)	Sweden	18
(29)	Germany	16
(31)	Britain	17
(33)	United States	16

Due to lock down a lot of work has started to be done from home as like in the education were taken on Google class, zoom class or skype. Project assignments were analysed online. Even Grocery food supply and other daily used product were supplying by the order of online. lot of business like manufacturing industries, that transportation sector ,hospitality sector hospital this kind of job cannot be down from home.

Covid-19's economic casualties

OECD countries, vulnerability to lockdowns, April 2020

Vulnerability score Rank out of 33, 1=most vulnerable		Fiscal stimulus*, % of GDP
(1)	Greece	1.0†
(3)	Spain	1.2
(5)	Italy	1.2
(15)	France	0.7
(23)	Japan	10
(28)	Sweden	2.2
(29)	Germany	4.4
(31)	Britain	3.1
(33)	United States	6.9

Economic impact of COVID-19: Everybody hurts

Everybody will hurt by Covid 19. The world has slipped into terrible depression. Miserable situation is in developed and developing countries. In 2020 there will be no recovery and in 2021 it will recover slowly. The analysis has been done for the base on the hope that pandemic will decrease in future in the second half of the year and again the economic condition will change slowly slowly and try to restart. Around the world half of the population is under lockdown and all industries close and unemployment is being hit by covid 19. In the US record has broken the claim of unemployment it's in million. Same other country's economist has estimated that the economy will shrink.

Due to lock down all has been stopped Ships started their journey but not reached their destination they are stuck .roadway, railway ,airline, seaport ,crane all has been stopped goods are moving but not reaching in time as before pandemic. World trade organization has estimated that due to global supply chain has been damaged because of slowdown of goods and consumption.

Goods and consumption has been slowed for that the global supply chain has been damaged World trade organization has been estimated that this year due to covid 19 the global trade volume will fall by 32%.The reason of this China export has been fall in Jan Feb by 17%.

The cost of trade has increased due to slowdown. Moving goods from one place to another place from factory or farm to another county by at least 35 %.the margin of profit is 0.5% to 3.5%from online to offline. For this many factories and companies will not be able to get benefit as the trade cost rises.

Retailers tried to sell goods after increasing the money but not ISSN 2349-7920le because demand is down due to lockdown everywhere. And this lockdown seriously damages the word trade and will disconnect the supply chain.

The International Labour Organisation (ILO) put their report and said that around 1.25 billion people will face problems due to pandemic there will be risk of radical salary deduction related lockdown. Globally 81% people were affected fully or partially due to working places closed.

More important point is that the UN food and agriculture organization has said. There will be no global crisis in food. Even food production will break records. During the credit crisis most food grain has been in 100 % stock.

VIII. SUMMARY

The coronavirus Covid19 affected a 210 countries and territories around the world and two international conveyances. Around 2,908,206 cases were all over world, death were 2, 02,501 and recovered 832,211 till today. USA, Spain, Italy, France, Germany, UK & Turkey were on the top cases. The Covid 19 has generated important challenges in many sectors: coronavirus spread globally and the government has to take hard action to do lockdown in their country, so it cannot be spread in his whole country. Because it comes to know that coronavirus spread from human to human and the government declared to keep social distance. Due to lock down all work has been closed. All school colleges, theatre, mall, picnic point restaurant hotel, tourism, transportation railway seaport, airport, industries, manufacturing companies fall slowdown etc. The life cycle routine stopped. It will hit the global economy. All around the world economic hitting by the reason of covid 19. Government have to take strike action to control the corona virus and announced to be lockdown and . It will hit the economy of the country.

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