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Abstract:

The COVID-19 pandemic's economic impact is mostly leading to a drop in demand, which means that fewer people are ready to buy the goods and services that are available in the global economy. This dynamic is visible in businesses that were highly impacted, such as travel and tourism. COVID-19 has the potential to “affect the global economy in three ways: overall production impact, market and supply chain disruption, and financial impact on enterprises and financial markets. Much, though, depends on how the public reacts to the epidemic. COVID-19 is a sickness caused by a specific virus (SARS-CoV-2)” (Worldbank 2022) that has been dubbed "coronavirus" or "new coronavirus" in the media. Currently, nothing is known about the condition. Although health workers are still working to determine the virus's medical impacts and other critical “characteristics, such as the incubation period, we believe the virus's economic impact will be driven in part by how the public reacts to it. The public's reaction might either aid in the disease's spread or result in unnecessary expenses. ” (Worldbank 2022)

Keywords: COVID-19, Economic Impact, Global Economy

Introduction:

Many countries have published COVID-19 (Novel Coronavirus) prevention guidelines:

1. Isolation of sick patients at their own homes.
2. Family members who have been exposed to the virus are voluntarily quarantined at home.
3. Social estrangement (“including school closings, social distancing at workplaces, and postponement or cancellation of mass gatherings”) (The economic impact 2022)
4. “Environmental safeguarding procedures (such as routine cleaning of frequently touched surfaces)” (The economic impact 2022)

Countries that implement the COVID-19 guideline suggestions may endure less disruption, while there may still be economic

consequences. School closures and social isolation, for example, could restrict the available workforce in a pandemic area. As outbreaks spread around the globe, we may witness minor economic consequences. A strong public reaction, in which local governments or the general public decide on highly harsh controls in a specific area, could result in major economic losses, particularly in regions and sectors that specialize in non-virtual output (as manufacturing). If a big number of countries select this course of action, the global economic impact might be significant.

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Review of Literature:

In developing countries, five institutions are attempting to find long-term solutions to poverty and generate shared prosperity. The World Bank or International Monetary Fund works in every major area of development, offering a variety of financial instruments and practical assistance, as well as assisting nations in sharing and applying new knowledge and solutions to their challenges. (Worldbank 2022). Despite this year's rebound, global GDP is predicted to be 3.2 percent lower in 2021 than pre-pandemic estimates, and per capita GDP in many emerging markets and developing economies is expected to remain below pre-COVID-19 peaks for a lengthy moment. This year, per capita income growth in emerging markets and developing economies is estimated to be 4.9 %, while this is expected to be virtually flat in low-income countries.

The World Bank Group is a unique worldwide partnership of five enterprises operating for sustainable answers to lower poverty and generate shared prosperity in growing nations, with 189 member countries, employees from over one hundred seventy countries, and places of work in over a hundred thirty locations. The World Bank Group is active in every major development sector. The economic disruption is already visible as the health and human toll grows, and it constitutes the world's biggest economic shock in decades. As a result of this weakness, growing

economies and developing countries are expected to fall by 2.5 percent this year as they deal with their local epidemics of the virus. East Asia and the Pacific islands will only expand by 0.5 percent. The assessment expects that the epidemic recedes to the point where domestic mitigation measures in advanced economies and later in developing nations may be withdrawn by mid-year, that severe global spillovers reduce in the second half of 2020, and that widespread financial crises are avoided (Sustainable Management 2022)

COVID-19 has the potential to have 3 major effects on the worldwide economy: direct production interruption, provide chain and market disruption, and money impact on enterprises and financial markets. COVID-19 may be an illness caused by a selected virus (SARS-CoV-2) that has been dubbed "coronavirus" or "new coronavirus" within the press. where as public health professionals are still deciding the virus' medical effects we have a tendency additionally as bound important traits reminiscent of the incubation time, we believe the virus' economic impact is going to be influenced partly by however the general public reacts to it. a robust public reaction, within which native governments or people decide on extremely rigorous controls in a very specific area, may lead to sizeable economic consequences in regions and industries that concentrate on non-virtual output. The impact on the worldwide economy can be significant if many countries opt for this course of action . (Bachman, *The economic impact*)

Economic impact:**1. Direct impact on production:**

The shutdown of Hubei province and other locations has already had a significant impact on Chinese output. As their governments take comparable policies, several other countries are beginning to suffer the direct consequences. China's slowdown has an impact on exporters to that country. Korea, Japan, and other Asian countries are China's major import sources, according to the World Bank.

2. Disruption of the supply chain and market:

Numerous modern endeavors depend on halfway sources of info imported from China and other illness impacted countries. Numerous organizations depend on Chinese deals to achieve their monetary goals. The lull in financial movement - as well as transportation limits - in the affected nations is expected to upset the creation and benefit of various worldwide endeavors, especially in the assembling area and in the natural substances utilized in assembling. The severity of the damage for enterprises that rely on intermediate items from afflicted locations and can't simply transfer sources of

Alternatives:

These hypothetical scenarios are just descriptive notions about the disease outbreak and the global economy's potential pathways.

4. The worst is over:

“Despite the fact that certain sporadic outbreaks occur abroad, the disease does not spread widely. China's economy gets back to business as usual as the number of cases across the world stabilizes, and there is little impact outside of a few areas like Iran that

supply may be determined by how rapidly the outbreak fades. Small and medium-sized businesses may find it more difficult to recover from the shock. Businesses in the travel and tourist industry are facing losses that are unlikely to be recovered.

3. Financial ramifications for businesses and markets:

Temporary input and/or output shocks may put certain businesses under strain, especially those with low liquidity. Financial market traders may or may not be able to predict or recognize which companies are at risk. As a result of the heightened risk, one or more significant players in the financial market may have chosen investment positions that aren't lucrative under present market conditions, further eroding trust in monetary instruments and markets. A huge monetary market shock as members become worried about counterparty hazard is one potential result (albeit one with a low chance). Due to the uncertainty produced by the epidemic, investors prefer to keep government securities (especially those issued by the US Treasury).

aren't crucial to the global economy. China's GDP suffers a severe setback in the first quarter of 2020 but rebounds in the second and third quarters, but some of the lost output is never restored. Outside of China, certain industries face short-term supply interruptions, but the impact on the global economy is minor and transient.”
(Worldbank 2022)

5. The year of the virus:

Albeit the illness' spread in China is easing back, flare-ups keep on happening all over the planet. Every pandemic requires a stop underway around there, and in the present globalized world, this infers that when flare-ups happen and are taken care of, there will be consistent interruptions in numerous areas and enterprises. Overall, the consequence is to considerably limit global growth by disrupting economic activity. Companies who are adaptable enough to switch vendors and have sufficient money to weather times of low deals and income will enjoy a cutthroat benefit.

The response to the global epidemic is as follows:

People are panicking about the virus's spread, therefore economic centers all across the world are shutting down in the Wuhan way. The flow of people and goods is hampered by uncoordinated country-by-country decisions. As endeavors with worldwide inventory chains can work on a restricted premise, worldwide assembling contracts. Tourism and related sectors are in steep decline, and tourism-dependent firms and regions are suffering as a result. It will take over a year for the World Wellbeing Association and the Unified Countries to layout and accept a global response that priorities cost-effectiveness and cost-effective health policies for the larger economy. Global GDP is stagnating, international trade is declining, and a global recession is looming.

The economic downturn:

Shipment and manufacturing schedule delays, particularly in the United States, cause financial concerns for corporations with huge

debts. Capitalists who have underpriced risk are exposed as global equity markets drop and venture investors flee to assets such as high-yield bonds and volatile equities. Concern about counterparty risk hastens the demise of financial markets and dries up liquidity. Central banks are scrambling to deal with the situation. After a V-shaped recession, financial markets - and the global economy - have recovered.

Global Growth Rate:

- The US economy has been reinforced by immense monetary help, inoculation is expected to become pervasive by mid-2021, and development is relied upon to hit 6.8% this year.
- China's economy is relied upon to grow a vigorous 8.5 percent this year and decelerate as the country's consideration changes to limiting monetary steadiness dangers.
- Development in low-pay economies, where immunization has slacked, has been diminished lower to 2.9 percent.
- In 2022, the gathering's result level is relied upon to be 4.9 percent lower than pre-pandemic figures.
- While developing business sectors and creating economies are relied upon to increase by 4.9 percent this year, low-pay nations are relied upon to see little development.

Covid-19 and the Economy:

On March 11, 2020, the World Health Organization (WHO) declared Coronavirus a pandemic, citing about 3 million infections and 207,973 deaths across 213 nations and territories. The illness has evolved into a global health concern, yet it still has a financial impact. Reduced efficiency, mortality tolls, business closures, exchange

disruptions, and the obliteration of the travel sector have all resulted in massive financial losses throughout the world. Coronavirus might be a "wake-up" call for international leaders to step up collaboration on plague preparedness and provide the necessary funding for global aggregate activities. Even though there is sufficient knowledge on the expected monetary and health-related consequences of uncontrollable disease flare-ups, the globe has failed to adequately implement preventative and preparation measures to reduce the likelihood of big plagues.

Globalization, industrialization, and environmental change all necessitate a well-thought-out response. Even though most developed countries, primarily "in Europe and North America, have strong continuous observation and health-care systems in place to prevent disease spread, improvements in general health in low-wage and high-risk countries, such as human and animal" (*Sustainable Management* 2022) reconnaissance, labor force readiness, and research center asset reinforcement, should be supported by public resources bolstered by global benefactor subsidizing. Legislators, non-governmental organizations, and commercial corporations all around the globe have proposed building and funding mechanical stages to speed up the inventive work response to emerging illnesses with plague potential.

Such a concerted effort is crucial in the case of Coronavirus, especially in terms of the course of events and the development of an antibody. The Alliance for Plague Readiness Advancements (CEPI), a global organization

founded in 2017, has been following global efforts in Coronavirus antibody development and is advocating for strong global collaboration to ensure that the vaccine, once developed, is produced in sufficient quantities and that all countries, regardless of their ability to pay, have equal access to it. Furthermore, troubled countries may benefit from trading innovation forward jumps in contact following, such as health Fast Reaction (QR) codes, to better control the flare-up. However, there are also important security considerations to think about.

After Coronavirus had effectively spread to other districts through global travel, the worldwide reaction, and reception of preventative measures to halt the infection's transmission had passed the point of no return. The components of proven Coronavirus cases are shown, demonstrating that large European countries (e.g., Italy, Germany, and the United Kingdom) and the United States have successfully exceeded China, the scourge's source, in terms of confirmed Coronavirus cases.

Conclusion:

Because the growth of the disease is likely to continue disrupting monetary action and, conversely, impact assembling and administration initiatives, particularly in developed countries, we expect that monetary business sectors will remain unpredictable. There is still some debate as to whether the unfolding crisis will have a significant impact on the global economy or if it will only have a limited impact on short-term monetary and financial outcomes. Regardless, it is clear that communicable diseases such as Coronavirus can result in significant monetary and

monetary costs for local and global economies. Due to increased transportation availability, globalization, and monetary interconnection, it has been tremendously difficult and expensive to restrict the illness and alleviate the importation gambles after the disease began to expand in various regions. This necessitates global aggregate effort and interest in vaccination improvement and delivery, as well as preventative measures such as continual limit working observation and the development of contact following skills at the public and global levels. Because outbreaks of new illnesses are unlikely to go away any time soon, aggressive worldwide actions are essential not just to save lives but also to ensure economic prosperity.

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