

Macroeconomics Assignment

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Global Economics Effects of Covid-19

Abstract

COVID 19 Cannot Be Stated As A Global Pandemic Or A Health Issue. Still, It Can Also Be Outlined As A Problem That Has Affected The Global Economy And The Financial Marketplaces. The Paper Assesses The Global Effects Of COVID 19 On The Economy. The Most Advanced Economies Were The Most Significant Hit. This Included Europe And North America Who Could Undergo Significant Falls On Their Overall GDP. The COVID 19 Led To A Significant Fall In The Merchandise Trade. This Is Due To The Disruptions Made To The Supply And The Demand Of Products. Both The Local And The International Trade Were Significantly Disrupted; Hence, Those Led To The Fall Of Prices Of Different Commodities, Leading To Losses Within The Organizations. COVID 19 Pandemic Led To Negative Impacts On Different Companies. This Ranges To Primary Company, Secondary And Tertiary Companies

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I. Introduction

COVID 19 cannot be stated as a Global pandemic or a health issue. Still, it can also be outlined as a problem that has affected the global economy and the financial marketplaces. It has caused a lot of chaos by ensuring that people can achieve less income. Similarly, it has raised the overall rate of unemployment, affected the manufacturing industries and other sectors. The onset of the disease, which seems to be highly infectious, has caused countries to take drastic measures to curb the disease. In the beginning, most of the countries in the world were able to underestimate the risks accrued by the onset of the disease (Susskind and Vines, 2020., p 6). However, the outbreaks have pushed back most countries, and it is essential not only to try to save the lives of the people but also to cater to economic prosperity. COVID 19 portrays signs of staying up to the future as there has been no significant breakthrough to curb the pandemic completely.

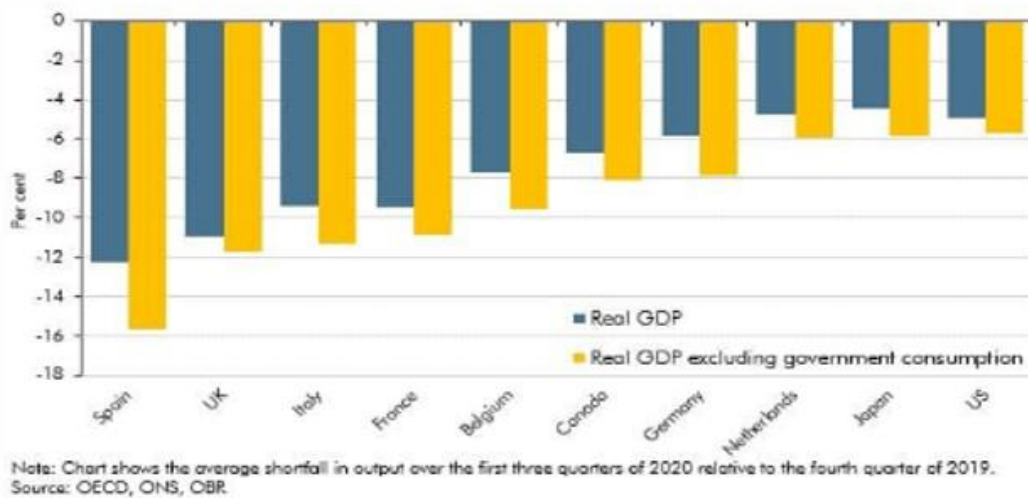
Impact of COVID -19 on GDP

Table I. Change in Gross Domestic Product by Major Country
 Percentage change from previous period

Country	2019	2020	2020				2021	
			Q1	Q2	Q3	Q4	Q1	Q2
Argentina	-2.1%	-9.9%	-4.1%	-15.8%	13.2%	4.4%	2.6%	..
Australia	-0.3	-2.5	-0.3	-7.0	3.6	3.2	1.9	0.7
Austria	1.4	-6.3	-2.6	-10.6	11.6	-3.1	-1.1	4.3
Belgium	1.8	-6.3	-3.3	-11.9	11.8	-0.1	1.1	1.7
Brazil	-2.3	-9.0	7.7	3.1	1.2	-0.1
Canada	1.9	-5.3	-2.0	-11.3	9.1	2.2	1.4	-0.3
Chile	0.9	-5.8	1.9	-12.7	5.4	6.5	3.4	1.0
China	6.1	2.3	-8.7	10.0	2.8	3.0	0.4	1.3
Colombia	3.3	-6.8	-2.6	-14.8	9.7	6.2	2.9	-2.4
Costa Rica	2.2	-4.5	-1.2	-7.8	2.2	2.6	1.4	..
Czech R.	3.0	-5.8	-3.4	-8.9	6.8	0.7	-0.4	1.0
Denmark	2.1	-2.1	-0.7	-6.4	6.1	0.9	-0.9	2.3
Finland	1.3	-2.8	-0.5	-6.1	4.6	0.5	0.1	2.1
France	1.8	-7.9	-5.7	-13.5	18.6	-1.1	0.0	1.1
Germany	1.1	-4.6	-1.8	-10.0	9.0	0.7	-2.0	1.6
Greece	1.9	-8.2	-0.4	-13.0	3.9	3.5	4.5	3.4
Hungary	4.6	-5.0	-0.3	-14.4	10.6	1.6	2.0	2.7

According to the International Monetary fund (2021), global economic growth had fallen dramatically by -3.2%. The most advanced economies were the most significant hit. This included Europe and North America who could undergo significant falls on their overall GDP. The UK experienced the most significant fall of ABOUT 10 percent of the overall GDP (Mou, 2020, np). This is because the company was worst hit and therefore ejected

numerous. In the table, the drop of 8.7 by china in the first quarter of 2020 shows the repercussion it failed due to the lowering of the supply chain. In the second quarter, there has been a GDP development of about 10 percent (Chudik, 2021, np). India almost fell apart due to the Coronavirus having a reduction of almost 25 percent of its total GDP. Similarly, other countries almost fell apart due to the pandemic.



Impact on Merchandise Trade

The COVID 19 led to a significant fall in the Merchandise trade. This is due to the disruptions made to the supply and the demand of products. Both the local and the international trade were significantly disrupted; hence, those led to the fall of prices of different commodities that led to the losses within the organizations(McKinsey & Company 2021, np). COVID was able to bring a shock on the prices of different merchandise, which resulted in the formation of reduced manufacturing and supply of the different commodities within the globe. This can be shown by the evidence corrected in the first quarter of the year 2020 (Escaith and Khorana, 2021, np). The world trade organization estimates that the economic impacts are evident across all regions in the world. However, in 2021, most countries had not experienced growth, which rose at a prolonged rate. Furthermore, a detailed version of the nature at which different countries had lost due to the pandemic is still missing (Ceylan, Ozkan. and Mulazimogullar, 2020, p 820)(. A lot of implications need to be put in place to ensure that the global economy may rise again.

Impact on Primary, Secondary and Tertiary Industries

COVID 19 pandemic led to negative impacts on different companies. This ranges to primary company, secondary and Tertiary companies. According to the ILO organization (2020), the primary companies affected by the Coronavirus the most were the smallholder Agriculture companies. According to OECD (2020), most of the country's restrictions could disrupt the normal supply operations within the different supply chains. This made the process damage the food security, nutrition, and livelihood of the farmers. In addition, secondary companies were affected much by COVID 19 (Maital and Barzani, 2020, p 9). Secondary industries deal with the processing the manufactured good. COVID 19 containment measures ejected by the Government affected these industries highly. For example, May countries restricted movements whereby many people were hindered from working. Others suggested that people should work at home, making it impossible for manual workers to have many roles in their industries. According to Research Markets (2020), the processing industries are the major contributors to the economy, taking almost 16 percent of the Global GDP. However, after the COVID 19, there has been a significant failure in the manufacturing and processing industries shrinking from 5 to 15 percent globally (McKibbin and Fernando, 2020, np). The tertiary industries were also greatly affected. This includes most of the service renders. The most affected industries included the Healthcare industry that has been greatly disturbed.

Conclusion.

In Conclusion, the virus continues to challenge the people in various countries and still disrupts the Economy. This makes the process of making raw materials, manufacturing, supply, and other services still at a shallow rate. There is hope, but the turbulent seems not to disappear lately. It is still very early to give away on returning to the normal economic state because the crisis may not be short-term. Most countries' GDP is starting

to rise slowly from the massive downfall; amicable solutions need to be ejected to ensure the future of the Economy, which is recently at stake.

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