

5 Paragraph Essay

Sample

Citation Style: APA

TOPIC:

"Influence of COVID-19
on the Global Economy"

written by Writing Metier

WRITING
METIER

Influence of COVID-19 on the Global Economy

COVID-19 has by far affected 198 countries all over the world. More than 21,000 people in total have died as a result of this highly contagious disease (Coronavirus: Which countries have confirmed cases?, 2020). This has left the whole world speculating about the effects this will have on the global economy. According to most speculations, the economy of the entire world will be affected adversely.

This pandemic is the next big shock to the economy of the entire world after the Global Financial Crisis of 2008. As a result of this pandemic, most countries have locked down, so that the spread of this virus can be contained. It is due to this that production has halted in most of these countries, which is affecting supply chains all across the world. Alongside that, people are not investing or choosing to consumer anything at all since there is lack of confidence in the global economy as a whole (Gurría, 2020). It will not be easy to revive the affected economies after the virus has fully ended, since these economies have gone into a “deep freeze” state.

Countries like China and the United States have a major impact on the global economy and these economies have been affected greatly as a result of the coronavirus. It can be predicted that the entire world will go into a recession as a result of this pandemic. Some sources say “COVID-19 will lower global GDP growth by one-half a percentage point for 2020 (from 2.9 to 2.4 percent).” Bloomberg has gone further on to say that the full years GDP growth could even become zero in case this epidemic continues to spread further on (Segal & Gerstel, 2020). United Nations has projected that foreign direct investment could fall somewhere

between 5 to 15% since there is very less confidence in the global economy. There is so much uncertainty all around, that people really don't know what to expect. It is due to this that people will be scared to invest anywhere, all around the world.

It is predicted that once this pandemic slows down, the sectors that will be affected the most are tourism and travel related sectors, since people will be scared to travel the world; it will take some time before the fear of this disease vanishes from the world. The International Air Transport Association has warned that "COVID-19 could cost global air carriers between \$63 billion and \$113 billion in revenue in 2020, and the international film market could lose over \$5 billion in lower box office sales." Hotel companies are also making losses as of now, since there are barely any people who are traveling and are looking for hotels to stay in. Industries that rely relatively lesser on social interactions between people will be affected lesser. These include the agricultural sector, since people will still need food to eat.

Another global industry that is badly affected is the global shipping industry. Most operations of shipping companies and other businesses related to it have been halted because the people working in the sector are strictly advised to stay home, so that there is less social interaction (Kuo, 2020). The future also seems bleak, since it will take such time till the global economy recovers. It can also be said that the countries that will be affected the most as a result of COVID-19 are the developing countries. There are a lot of people in these countries who are daily wage earners. These are the people who are most affected because they don't have work to rely on to make both ends meet, and the government cannot do as much to help all those living below the poverty line (Evans & Over, 2020). It can only be hoped that this virus gets

contained and doesn't spread further, otherwise the future for the global economy seems very bleak.

References

Coronavirus: Which countries have confirmed cases? (2020, 3 26). Retrieved from Al Jazeera: <https://www.aljazeera.com/news/2020/01/countries-confirmed-cases-coronavirus-200125070959786.html>

Evans, D., & Over, M. (2020, 3 12). *The Economic Impact of COVID-19 in Low- and Middle-Income Countries*. Retrieved from Center & Global Development: <https://www.cgdev.org/blog/economic-impact-covid-19-low-and-middle-income-countries>

Gurría, A. (2020). *Tackling the coronavirus (COVID-19) Contributing to a global effort*. Retrieved from OECD: <http://www.oecd.org/coronavirus/en/>

Kuo, M. A. (2020, 3 17). *COVID-19: Impact on Global Shipping and China's Economy*. Retrieved from The Diplomat: <https://thediplomat.com/2020/03/covid-19-impact-on-global-shipping-and-chinas-economy/>

Segal, S., & Gerstel, D. (2020, 3 10). *The Global Economic Impacts of COVID-19*. Retrieved from Center for Strategic & International Studies: <https://www.csis.org/analysis/global-economic-impacts-covid-19>