**NAME: ABDULAZEEZ FOLUSHO AMIRAH**

**COURSE: IRD218**

**MATRIC NUMBER:18/SMS09/002**

**DEPARTMENT: INTERNATIONAL RELATIONS AND DIPLOMACY**

**QUESTION: THE COVID-19 PANDEMIC CONTINUES TO RAVAGE THE WORLD. BRIEFLY ACCESS THE PANDEMICS IMPACT ON THE GLOBAL ECONOMY BETWEEN DECEMBER 2019 AND APRIL 2020. BASICALLY EXPLAIN BOTH THE INTENDED AND UNINTENDED CONSEQUENCES OF THE SHUTDOWNS, LOOKING AT THE STATISTICS OF GLOBAL FINANCIAL INSTITUTIONS FOR EXAMPLE, THE IMF.**

***Abstract***

*Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).The disease was first identified in December 2019 in Wuhan, the capital of China's Hubeiprovince, and has since spread globally, resulting in the ongoing 2019–20 coronavirus pandemic.Common symptoms include fever, cough and shortness of breath.Other symptoms may include fatigue, muscle pain, diarrhea, sore throat, loss of smell and abdominal pain.] The time from exposure to onset of symptoms is typically around five days, but may range from two to fourteen days.While the majority of cases result in mild symptoms, some progress to viral pneumonia and multi-organ failure.As of 11 April 2020, more than 1.69 million cases have been reported in more than 200 countries and territories, resulting in more than 102,000 deaths. More than 376,000 people have recovered.*

*But COVID-19 is much more than a health crisis. By stressing every one of the countries it touches, it has the potential to create devastating social, economic and political crises that will leave deep scars.*

The world as we know it, is currently plagued by a virus known as “Covid-19”The pandemic is moving like a wave—one that may yet crash on those least able to cope. Many of our communities are now unrecognizable. Dozens of the world’s greatest cities are deserted as people stay indoors, either by choice or by government order. Across the world, shops, theatres, restaurants and bars are closing. Every day, people are losing jobs and income, with no way of knowing when normality will return. Small island nations,heavily dependent on tourism, have empty hotels and deserted beaches.

the pandemic also poses a significant threat to the maintenance of international peace and security potentially leading to an increase in social unrest and violence that would greatly undermine the ability to fight the disease.several international organizations have come forward to basically fill in the gaps and build on the parts the government have left untouched regarding either economic, political and social aspects of a state and also lend a helping hand to ensure the safety of the people and the world at large.

An epidemiological threat such as the new coronavirus, which causes the disease COVID-19, can have disruptive effects on the economy. It can disrupt the global supply of goods, making it harder for Global firms to fill orders. It can also waylay workers in affected areas, reducing labor supply on one end and on the other slow the demand for products and services.

Looking at the statistics, International Monetary Fund Managing Director Kristalina Georgieva says the outbreak is the world’s “most pressing uncertainty.” The economic disruptions caused by the virus and the increased uncertainty are being reflected in lower valuations and increased volatility in the financial markets. While the exact effect of the coronavirus on the global. economy is unknown and unknowable, it is clear that it poses tremendous risks.In order to assess the possible impact of the coronavirus on the economy, it is important not only to focus on the epidemiological profile of the virus but also on the ways that consumers, businesses, and governments may respond to it. COVID-19 will most directly shape economic losses through supply chains, demand, and financial markets, affecting business investment, household consumption, and international trade. And it will do so both in traditional, textbook supply-and-demand ways and through the introduction of potentially large levels of uncertainty.

The virus will not only affect supply, but some sectors of the Global economy may also experience declines in demand—and big reductions in revenue—because of the overall effects on the economy. There are two separate effects to consider.

First, people will buy less of some goods and services because they are afraid of potential exposure to the virus. For example, they may be less willing to travel or go out to eat. The result is that air travel and hotels could feel a real pinch. Already lessened demand on food and beverage industries seems to be occurring. As People feel increasingly uneasy about the spread of the virus in their various countries, it is foreseeable that they will further cut back on some goods and increase their emergency savings instead.

Secondly,when firms are forced to close, workers likely will receive less money than they otherwise would have expected and, in some instances, will receive no pay. As a result, these workers will have less to spend, again cutting overall demand. A fall in demand that follows a supply shock constitutes a one-two punch that will further contract economic activity, although the size of these effects is largely unknown.

Mass flight cancellations to and from China—which has been designated as a “do not travel” destination in states such as the United States,Canada, Australia and several other African countries—means almost no one is traveling to China and, more importantly for U.S. firms, Chinese tourists are not traveling overseas. A consulting firm estimates that the United States will lose 1.6 million visitors from mainland China, with an associated decrease in spending of $10.3 billion dollars. Multinational companies and luxury goods makers who rely on Chinese consumers have already suffered and had to close stores. As such effects proliferate around the world, U.S. exporters will find it harder to sell their wares around their globe, which will have negative repercussions for U.S. growth and jobs.

Meanwhile, the U.S. anticipates lower imports from China. The last quarter of 2019 saw low imports, exports, and international trade. There is a risk of a sizable negative demand shock if the public overreacts to the coronavirus outbreak.

As much as economists think about risk-taking as a key driver of the economy, an economy only works if risks are largely known. But unknown risks, or uncertainties, can have a larger, more paralyzing effect. It could affect businesses, households, and financial market participants. Businesses may hold off on investments because they don’t know what happens to supply chains as well as their domestic and international customers. Internationally, it is not known where and how far the virus will spread. This makes it hard or even impossible to assess the effects on supply chain and demand disruptions discussed above. But if these effects are difficult to evaluate, businesses will not know whether they should continue with planned or even new investments.

Businesses are not the only ones that could pull back amid uncertainty. Households, worried about contracting the virus, could cut spending on some items such as traveling and going out. Moreover, this health risk poses a real economic risk, as many households have inadequate health insurance, which could leave them with large doctors’ bills when they get sick. And, most People do not have paid sick leave, meaning if they get sick from the virus and need to stay home, they will not get paid. In light of the risks, many people will view it as good economic precaution to avoid activities that increase exposure to others. On an economy wide scale, though, this means less spending and thus less growth.

Banks and other financial institutions may restrict and reprice credit because they cannot properly assess short-term risks to particular borrowers, sectors, or countries. Less credit availability could make it harder for businesses, especially smaller ones, to invest and grow. And, some potential home buyers could find it harder to get a mortgage. Credit market uncertainty could then exacerbate the demand fallout from the coronavirus.

There is also an international wrinkle to growing uncertainty. International financial investors could become worried about the unknown risks to the global economy from the coronavirus.

Furthermore, there are negative effects of the lockdown as well as there are positive effects of the lockdown. Although the lockdown is proven effective in ensuring the minimal spread of the virus, and also bettered the environment in the terms of the “climate change” phenomena and Even if mass isolation were aiding in the reduction of climate change, it would not be a sustainable way of cleaning up the environment.aside from the negative impacts highlighted above researchers also claim that the lockdown also has side effects as a whooping 63% of the world’s population has a high chance of emerging from this pandemic with some sort of mental illness, most likely depression. This claim would eventually take a toll to the global economy. Also majority of the families in low income countries would experience scarcity in funds due to the lockdown and the inability of the

grownups to go to their various workplaces. Unemployment is reaching record highs and trillions have been pledged by governments to help restore their economies.The effects of economic downturn and quarantine have hit the poor the hardest - those that do not have access to unemployment insurance, those who live paycheck to paycheck, and those who do not have social safety nets bear the economic brunt of the crisis.

**Conclusion**

The coronavirus (COVID-19) outbreak has already brought considerable human suffering and major economic disruption. The extent of the damage on the global economy will depend on how quickly the virus is contained, the steps authorities take to contain it, and how much economic support governments are willing to deploy during the epidemic’s immediate impact and aftermath. Scientists do not yet have a clear understanding of the virus’s behavior, transmission rate, and the full extent of contagion; uncertainty will be part of the backdrop for the foreseeable future. Coherent, coordinated, and credible policy responses provide the best chance at limiting the economic fallout from what is already and sadly a human tragedy. All one can do is hope that eventually the human race survives this tragedy and so does our global economy.