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Question

The COVID-19 pandemic continues to ravage the world. Briefly assess the pandemic's impacts 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.

China's economy contracted in the first quarter of 2020 - the first time since records began in 1992.

More than 5 million Americans filed for unemployment last week, bringing total US jobless claims to 22 million over a four-week period.

The International Monetary Fund says Asian economies will see zero growth for the first time in 60 years.

The UK's Office for Budgetary Responsibility has warned the economy could shrink by 35% with 2 million job losses.

Denmark has said companies registered in tax havens won't be able to access financial aid.

Confirmed cases of COVID-19 have now hit nearly 2.5 million globally. Businesses are coping with lost revenue and disrupted supply chains as factory shutdowns and quarantine measures spread across the globe, restricting movement and commerce.

Unemployment is skyrocketing, while policymakers across countries race to implement fiscal and monetary measures to alleviate the financial burden on citizens and shore up economies under severe strain. The International Monetary Fund (IMF) on 9 April said the coronavirus pandemic had instigated an economic downturn the likes of which the world has not experienced since the Great Depression.

Here are some of the ways the outbreak is sending economic ripples around the world. On 15 April, the IMF warned economies in Asia would see no growth this year, for the first time in 60 years, with the service sector particularly under pressure.

National lockdowns across the region have meant airlines, factories, shops and restaurants have suffered the greatest economic shocks.

Just a day after the IMF warning, official data showed the Chinese economy had contracted in the first quarter - the first time since quarterly records began in 1992. GDP in the world's second largest economy fell 6.8% in January-March year-on-year - more than the 6.5% forecast by analysts and the opposite of the 6% expansion in the fourth quarter of 2019.

The Chinese economy is likely to be hit further by reduced global demand for its products due to the effect of the outbreak on economies around the world.

To combat the economic fallout, the US Federal Reserve on 15 March cut its key interest rate to near zero.

But the move, coordinated with central banks in Japan, Australia and New Zealand in a joint-effort not seen since the 2008 financial crisis, has failed to shore up global investor sentiment. As of 9 April, the S&P 500 stock index is down more than 13% since the start of the year, while global oil prices have plummeted more than 47% year-to-date. The initial shortage of products and parts from China affected companies around the world, as factories delayed opening after the Lunar New Year and workers stayed home to help reduce the spread of the virus.

End it with a, "The global economy is clearly heading for a depression but with countries reporting reductions of cases, things are gradually getting back to normal. We're resilient and hopefully, the world in general will see economic growth in the coming months after the pandemic is over.