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**THE IMPACT OF COVID-19 ON GLOBAL ECONOMY**

The coronavirus disease is a highly transmittable and pathogenic viral infection caused by severe acute respiratory syndrome which emerged in Wuhan, china and spread around the world. There is no clinically approved anti-viral drug or vaccine to be used against Covid-19 which has led to a major pandemic worldwide.

The Covid-19 pandemic has brought economic activity to a pause in nations with high number of recorded cases. This had had international repercussions with the fall in foreign trade and therefore leads to the increase in risk aversion of investors. Also, this sparked a frantic global search for dollar liquidity also as capital outflows to developing countries.

The chief economies have responded with aggressive monetary measures. The impermanence evolution of demand and activity will depend entirely on the intensity of the constraint of populations. Once it is lifted, the restoration will likely be gradual and uneven. The action of the public authorities will have to evolve the measures in the face of the pandemic, giving way to measures to revive growth with public finances still put to the test.

In an article published by Qamar Shesh on the Covid -19's economic impact, "In addition to the impact on the lives of millions of people around the world, the pandemic of the new corona virus has also dealt a severe blow to the development of the world economy. Although, the governments of the main countries affected by the COVID-19 crisis have taken steps to alleviate the economic slowdown caused by this virus, it is expected that its spread may have a triple effect on the world economy that is; direct impact on global production volumes, interruptions and alterations in supply and distribution chains, and financial impact on businesses and the stock markets.

Chinese production has already been substantially affected by the closure of industries in Hubei Province and those of other regions of vital importance for the export of Chinese goods. As a result, the Chinese slowdown had an immediate effect on the production levels of the country's main exporters: the United States, Hong Kong, North Korea and Japan.

It is therefore expected that the slowdown in economic activity and the restrictions on transport in the countries affected by the corona virus will have an impact on the production and profitability of certain international companies. Mainly those belonging to the manufacturing sector and those dependent on obtaining raw materials to produce consumer goods.

In the case of companies that depend on the intermediate products from the affected countries and cannot easily change sources of supply, the magnitude of the impact may depend on the duration of the measures to paralyze the activity. In this scenario, small and medium businesses will find it more difficult to survive the disruption caused by the corona virus.

The situation can be particularly striking for companies linked to the tourism sector, whose capacity to carry out evasive actions is limited to following restrictions imposed by governments around the world in order to curb the transferring of the corona virus. The industry anticipates that its businesses will face losses that they are unlikely to be able to recover."

The brutal halt on activities triggered a quick and energetic response from the government. The corona virus pandemic has shut down entire wrappings of the global economy, a situation that is becoming more and more evident every day. In the euro area, several surveys of business leaders recorded declines compared to the previous month. In the United States, the rate of unemployment has increased, reaching unprecedented levels.

This will have a high impact on the speed with which demand and activity will return to their growth prior to the pandemic. Several factors point to a very gradual process. Faced with the decrease of their balance sheets, many companies will favor the improvement of the latter over the increase in industrial investments. Recruitment plans could also therefore be influenced. These considerations apply in particular to small and medium-sized enterprises, whose economic models are, for many, less diversified, which makes them more sensitive to economic breakdown. Some households will opt for precautionary savings in order to rebuild their finances Persistent fears about health risk could also act as a brake on certain expenses (i.e international travel) without necessarily leading to an equivalent increase in other fields. More than anything else, household spending will depend on the availability of jobs.

Finally, international trade should remain at a pause in the months to come, as exports from countries already out of containment suffer from the drop in import demand from those products that entered later in future.

*Ref;*

*Qamar Shesh, Covid-19’s Economy Impact,*

*Statistical.com/impact of the corona virus pandemic*