

СЕКЦИЯ D
DOING BUSINESS IN MODERN WORLD ECONOMY

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THE IMPACT OF EPIDEMICS ON THE GLOBAL ECONOMY

*Д.М. Волынец, студент группы 10508117 ФММП БНТУ,
научный руководитель – преподаватель Е. Н. Лазарева*

Резюме – в данной работе отражен анализ возможных потерь для мировой экономики, основные проблемы развития экономики, также основные меры, которые следует принять для минимизации последствий кризиса, который возник в результате пандемии и меры, которые должно принять правительство стран для уменьшения ущерба при повторении ситуации в дальнейшем.

Resume – this study contains an analysis of possible losses to the world economy, the main development problems of the economy, also the main measures to be taken to minimize the effects of the pandemic crisis and action, which the Government of the countries should accept in order to reduce the damage if the situation is repeated in the future.

Introduction. The COVID-19 coronavirus worldwide has destabilized the global economy and disrupted the lives of billions of people. Currently, the world is paying very serious attention not only to the problem of preventing and combating the spread of COVID-19 but also to measures to quickly overcome the consequences caused by the pandemic in the world economy.

The main part. Global trade volumes fell by 3% in the first quarter of 2020. It is estimated that the second quarter is expected to decline by 27% compared to the previous quarter. Commodity prices fell by a record 20% due to the sharp drop in oil prices [1]. The energy sector of the economy, the raw materials sector, suffered the most, and the airlines, as well as the automotive industry, suffered a lot of damage. Fuel prices fell by 33.2% in April, while prices for minerals, ores, metals, food and agricultural raw materials fell by less than 4%. Restrictions were imposed both in the production sector and in the service sector: factories were suspended, catering establishments were closed, strict measures were introduced for trade enterprises, which led to a decrease in economic growth in general and a drop in the turnover of world trade in particular. The restrictions imposed on the movement of people have reduced the need for oil and petroleum products, which has led to a decrease in their prices. In a March report, the International Energy Agency predicted a reduction in oil demand in 2020 by an average of 90 thousand barrels per day. According to the agency, the demand for oil in February decreased by 4.6 million barrels per day compared to the same month last year. On March 11, the United States announced a ban on entry from the European Union, which, together with the announcement of a pandemic, led to a slowdown in quotations. The price of the

May Brent oil futures, after the fall in prices in March-April, returned to \$ 33 per barrel, but so far there is not a high demand for it, so there is an overstocking of storage facilities [2]. One of the most important macroeconomic indicators of all countries is the gross domestic product (GDP). Due to the pandemic, most developed countries are projected to have a decline in GDP in 2020.

The volume of GDP in Belarus for the 1st quarter of 2020 in current prices amounted to 30.2 billion rubles, or in comparable prices 99.7% compared to the level of the 1st quarter of 2019. The GDP deflator index in the 1st quarter of 2020 compared to the same period of the previous year was 104.3%.

According to the IMF forecasts, the global economy will have declined by 3% by the end of this year, and next year, if it shows growth, it will be insignificant. According to the IMF, if the quarantines in the world are extended beyond the 2nd quarter of 2020, and the coronavirus returns (even with a lighter epidemic) in 2021, the overall economic impact will be twice as strong. The fund's experts believe that the Covid-19 crisis will leave lasting consequences and large losses in the global economy [3].

The crisis resulting from the pandemic has exacerbated income inequality between and within countries. There is also an outflow of capital, the depreciation of the national currency of developing countries due to the crisis.

The state should not save on scientific, technological and innovative resources. There should be more investment in R & D as part of emergency response and recovery measures, and countries should not forget about health care, and buy essential medical supplies, such as artificial lung ventilation devices. Sufficient funding for these industries is essential for the ability of national innovation systems to support sustainable development.

Conclusion. The COVID-19 pandemic has a negative impact on the global economy. This is observed in various spheres of activity, in the fall of the GDP of the leading countries, in the decline in household incomes, the increase in foreign debts of countries, and financial costs. Because of the pandemic, the energy sector, the raw materials sector, airlines, and the automotive industry will suffer the most. Countries should cooperate to solve the problem and further establish cooperation to quickly respond to similar situations in the future.

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