

**Impact of the coronavirus pandemic on the  
global economy**

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***Annotation:*** *In the history of the humanity, there have been so many events like wars, natural disasters, global pandemics that had catastrophic impacts on the world economy. But , over and over again, the global economy managed to get back on foot. The latest Covid-19 pandemic which left its huge path on world trade, also made considerable changes in the way of global economy. New spheres were created, the survival methods were introduced as well as some crucial economic sectors got broken down.*

***Key words:*** *Global economy, world economy, pandemic, world trade, main industries,*

**Global economic impacts of historical pandemics**

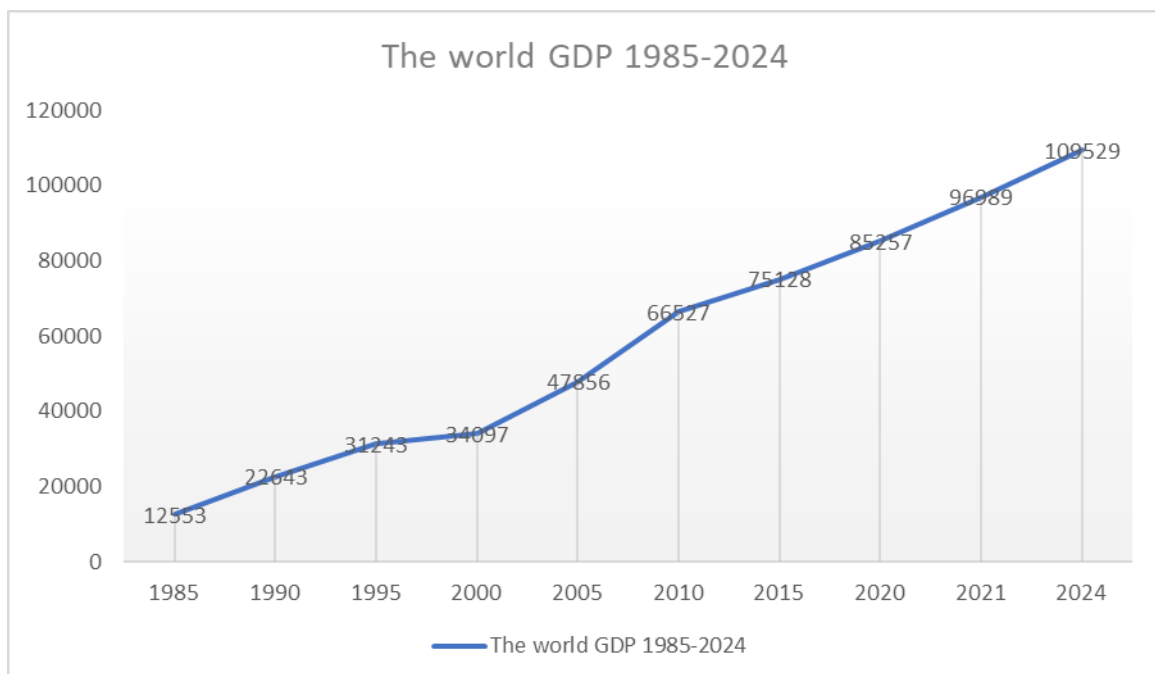
The recorded history of pandemics up to 2019 includes three plagues caused by *Yersinia pestis* via fleas associated with wild rodents, seven cholera pandemics caused by *Vibrio cholerae*, several influenza pandemics caused via avian species, and two pandemics caused by coronaviruses. The Justinian Plague, from 541 to 543, was the beginning of the three most devastating biological events in human history. It is estimated to have given rise to about 100 million deaths in the Roman Empire. The high mortality is also expected to have weakened and declined the Roman empire. The second plague, from 1347 to 1351, is commonly referred to as the “Black Death” and spread across Europe and the Middle East. The plague led to about several million deaths and exposed countries to the plague between 30 and 50 percent of their population. The available records indicate that the economic losses amounted to 6 and 3.3 percent of GDP per capita in England

and Spain, respectively. The third plague originated in Yunnan in 1855 and spread to the rest of the world. The most significant mortality outcomes were from China and India, where respectively at least 2 and 10 million died, respectively. The global death toll is estimated at 15 million, and the plague is still considered active, though its casualties have dropped since 1960.

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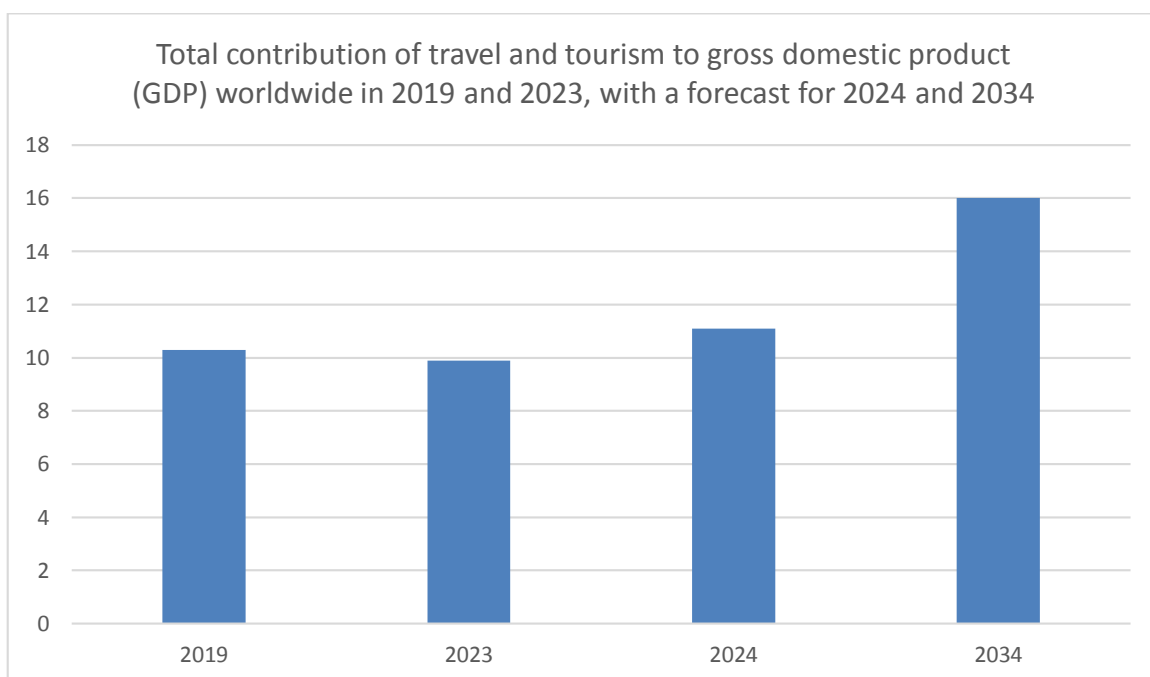
The global coronavirus pandemic COVID-19 has had a serious negative impact on the global economy. In 2020, the world's combined gross domestic product (GDP) fell by 3.4 percent. By comparison, global GDP reached US\$84.9 trillion in 2020, meaning a 3.4 percent drop in economic growth results in a loss of more than US\$2 trillion. However, the global economy quickly recovered from the initial shock, again achieving positive growth in 2021. and its impact on the global economy could hamper economic growth. However, in 2022, global GDP grew by more than three percent.

Global stock markets have also experienced sharp declines since the coronavirus outbreak, although they have managed to recover from losses quite quickly. On March 16, 2020, the Dow Jones Industrial Average reported its largest one-day drop in history, nearly 3,000 points, breaking the previous record of 2,300 points set just four days earlier.



### **Affected industries**

The COVID-19 pandemic has had varying impacts on different industries and sectors. As countries around the world closed their borders and imposed travel restrictions, the travel and tourism industry was particularly hard hit. Travel restrictions have led to a sharp decline in flights around the world. On the other hand, online retail boomed as more people either decided or were forced to buy non-essential items online as retailers were forced to close their stores during the pandemic. For example, Amazon's net sales revenue reached new records in both 2020 and 2021, a trend that will continue into 2022.



### **Country and regional comparison: UK economy hit hard, China less affected**

While the pandemic has hit the entire global economy, some countries and regions have been hit harder than others. For example, in the third quarter of 2020, China saw a positive GDP growth rate of almost five percent, while the United Kingdom fell by almost eight percent. However, by the same quarter the following year, it had increased again by about seven percent. In Asia, the change in GDP ranged from 0.2 percent in East Asia to minus 7.7 percent in South Asia.

The reasons for this are numerous and complex, but the relatively quick response of East Asian countries to the pandemic in its early stages meant that they were able to ease restrictions fairly quickly as their numbers dwindled. However, China decided to stick with its zero-COVID policy until 2023, meaning the country's economy was unable to fully open up when the global economy did. In the last quarter of 2022, China's GDP fell by almost two percent compared to the same quarter in 2021.

In response to the economic downturn, several governments have introduced stimulus packages to support national economies and help the unemployed. Indeed, global GDP has risen since an initial fall in 2020, and G20 member countries' GDP is projected to rise by 2026, highlighting the positive impact of stimulus packages as well as easing restrictions.

