



COVID-19 Pandemic: A Global Economic Challenge

Faisal Muhammad ^{1,2,*}

¹Department of Public Health, Faculty of Allied Health Sciences, Daffodil International University, Dhaka, Bangladesh

²Department of Social Work, School of Liberal Arts and Social Sciences, University of Information Technology and Sciences, Dhaka, Bangladesh

*Corresponding author: Department of Public Health, Faculty of Allied Health Sciences, Daffodil International University, Mirpur Road Dhanmondi, Dhaka, Bangladesh. Email: fokkanya@yahoo.com

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Dear Editor,

Due to the COVID-19 pandemic, some of the highly developed countries are taking emergency measures to deal with sudden global economic disruptions. The United States has started giving significant thought to its unemployment problem as a result of the novel coronavirus outbreak. In the current situation, the main issue is not just about how COVID-19 keeps spreading, but the level of disruption to the global economy. Researchers unanimously emphasize the deepening impacts of COVID-19 outbreak on the world economy, and the accompanying fears have rocked markets worldwide. A recent report from the United States reveals that more than three million of its citizens have applied for unemployment benefits (1).

“The cost of the coronavirus pandemic could be as high as \$4.1 trillion, or nearly 5.0% of global gross domestic product”, the Asian Development Bank said in a report recently released. The possibility of severe financial turmoil and financial crises cannot be discounted (2). A drop in the first quarter GDP of China was predicted by analysts, the first contraction since China has begun reporting quarterly data more than 20 years ago. The foreign direct investment flows are expected to fall between 5.0 and 15.0%, the lowest levels since the global financial crisis about 10 years ago. The travel-related industries, restaurants, sporting events, and other services will be among the sectors to face challenges or significant disruption. It was predicted that the global economy would suffer the worst financial crisis this year (2020). In January 2020, the International Monetary Fund (IMF) estimated about 3.4% growth for global GDP in 2021. More attention has been drawn by the Organization to Economic Coordination and Development (OECD) regarding the consequences of the economic

hit due to the COVID-19 pandemic. The IMF stated receiving requests for financial support from most of its members (3). No one knows when the COVID-19 pandemic will end. However, the governments and concern authorities should provide subsidies and support to the most-affected citizens for humanitarian reasons.

Footnotes

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