



Major Changes the World has Gone through during the COVID Pandemic

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The global pandemic COVID-19 has pushed the world into a state of ambiguity by impacting the economic and political system of the world trade as the virus induced lockdown and the emergency measures influenced the GDP growth of world showing major disturbance across multiple sectors. The adaptations towards new trends, such as working from home, increased reliance on technology, online transactions, decrease in business travel and emergence of video-conferencing tools are causing a change in consumer behaviour. The trade wars, global politics and national economic policies influence the future of global trade as COVID-19 has thrown the spotlight on a unique situation in which to observe how various systems and processes respond to acute severe stress and change.

The income of a vast majority of people has reduced due to abrupt lockdowns. By 2020, the global unemployment rate reached 6.5%. Besides, Inflation rate worldwide amounted to 3.18% as uncertainty caused the hoarding of grocery and even healthcare items. On the other hand, consumers started adopting e-commerce and online shopping. UNCTAD has expressed the e-commerce sector saw a rise from 16 to 19% in 2020. The COVID-19 pandemic has accelerated technology trends including digital payments, telehealth and robotics. The lockdown has resulted in most people taking to the internet and internet-based services to communicate, interact, and continue with their job responsibilities from home. Internet services have seen rises in usage from 40 % to 100 %, compared to pre-lockdown levels. Video-conferencing services like Zoom have seen a ten times increase in usage, and content delivery services have seen a 30 % increase in content usage (Branscombe, 2020). Cities like Bangalore have seen a 100 % increase in internet traffic. Additionally, purchase of technological gadgets and the expenses for internet services have put extra pressure on consumer pockets. The family time merriment during home stay proved to be a boon in disguise as chances of family clashes also increased.

During these unprecedented times, producers have been faced with considerable business and operational disruptions. The unavailability of raw materials, delay in picking up the ready products due to disrupted transportation services during lockdown heavily affected many manufacturing firms around the world that rely upon imported raw products from countries like China, India, Bangladesh. Majority of the medium and small scale industries experienced huge loss and went bankrupt leading to unemployment and a negative impact on GDP. According to the Global Economic prospects- January, 2022, the World GDP growth percentage declined to -3.4 % in 2020 and that of India decreased to -7.3%. Industries related to automobile, food, beauty products, retail experienced a downfall whereas healthcare, technology, online education, NEWS firms gained huge profits.

The cost-cutting measures indirectly influenced the financial system as unemployment forced people to spend less decreasing product demand and import-export rates, consequently hampering the market growth. According to IMF, the global economy has shrunk by 4.4%. The increased rate of unemployment creates pressure for creating new job opportunities. Governments invested billions of dollars for vaccines, treatment of infected people and COVID relief packages to citizens ignoring other public welfare schemes, hence, negatively impacting development plans. Moreover, travel restrictions disrupted tourism and hospitality sectors. For instance, the GDP growth percentage of Maldives, a tourism based economy dip by -33.5%.

To conclude, this pandemic is not only a public health crisis but it has also severely affected the global economy and financial markets. Significant reductions in income, a sheer rise in unemployment as well as disruptions in the transportation services and closure or slowing down of manufacturing industries are among the major consequences of the disease mitigation measures that have been implemented in many countries. These are significant impressions and will have long term impact on global trade. Governments, business leaders, and companies will allocate more budgets for investing in healthcare and healthcare products after discovering the gaps in the global system while fighting the coronavirus. More tech start-ups with creative applications are expected to emerge.

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