

## **GDP IMPACT ON DEVELOPED VS DEVELOPING COUNTRIES DURING COVID TIME**

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DOI: 10.46609/IJSSER.2021.v06i12.030 URL: <https://doi.org/10.46609/IJSSER.2021.v06i12.030>

Received: 9 Nov. 2021 / Accepted: 30 Nov. 2021 / Published: 31 Dec. 2021

### **ABSTRACT**

Apart from rising tensions between poor and wealthy countries, the emergence of the new coronavirus is currently the most important black goose of 2020. The Covid-19 pandemic is a 'one-of-a-kind' worldwide shock, causing concurrent market forces problems in a linked world economy. Infections diminish supply of labour and production, whereas lockdowns, company disruptions, and social distance also affect supply. Furloughs and income losses, as well as worsening economic outlook, diminish private consumption and company investment. The severe speculation surrounding the pandemic's route, length, scale, and effect might set off a negative spiral of low consumer and business confidence and tighter economic position, resulting in loss of jobs and expenditure. The main difficulties for any evidence based financial evaluation of Covid-19 are identifying this unexpected shock, accounting for its nonlinear impacts, considering cross-country ripple effects, and quantifying forecast ambiguity, provided the shock's unparalleled nature. The paper's main goal was to examine the projected worldwide real GDP growth, assess the repercussions for low-income nations due to the drop in GDP during the pandemic, and address the changing GDP rates with rising economies following the covid crisis. The study was carried out using a descriptive research approach, which entailed gathering data from secondary sources and doing qualitative research. The interpretivist method was used in this project. The findings of the study suggest that the global recession will persist for a long time, and that no nation will be immune to its effects, irrespective of their risk response. These findings demand for a pandemic government response that is coordinated across countries.

**Keywords :**GDP, finance, debt, downfall, developed, emerging, economy, government, country.

### **1. Introduction**

The undertaken research paper is a critical study conducted upon the chosen topic "GDP Impact On Developed Vs Developing Countries During Covid Time". This is the very first chapter that will briefly highlight the research problem by providing insights about the background related to changes witnessed in the GDP during the covid outbreak. This part will also provide a brief of the literature by various literatures. Along with it the section will illustrate the research aims, objective, gap and importance of the study and the limitations of the study. By the end of this chapter all necessary details related to the paper will be appropriately provided which will imply a more comprehensive understanding of the study conducted upon the topic and relevant issues and problems linked to it.

### **1.1 Background**

In 2021, a year and a half after the beginning of the COVID-19 pandemic, the world economy was ready to perform perhaps the most strong post-recession rebound in 80 years (Loayza, & Pennings, 2020). However, the recovery is likely to be unequal across nations, with big economies likely to increase well while many emerging economies underperform. Substantial unemployment rates, economic downturn, plummeting expenditures and sales, and a drop in tourist revenue have all occurred in both developed countries and developing countries. The influence of COVID-19 on poverty, on the other hand, is less evident. Early indications indicate huge equity and debt withdrawals from emerging nations, which coincide with a decline in remittances, as well as rippling effects on national financing, which are already being prompted by the mounting public healthcare and economic problems (Maliszewska, et al., 2020).

This year, worldwide growth is anticipated to increase to 5.6 percent, owing primarily to the resilience of major markets such as the U.S.-china. And, although growth forecasts for nearly every area of the world have been adjusted forward toward 2021, many are still grappling with COVID-19 and what is expected to be a lengthy shadow cast by it. Notwithstanding this year's rebound, global GDP in 2021 is predicted to be 3.2 percent lower than pre-pandemic predictions, with per capita GDP throughout many developed and emerging markets is anticipated to stay below pre-COVID-19 high for a lengthy period. As the epidemic worsens, it will determine the course of the world economy (König, & Winkler, 2020).

### **1.2 Literature Reviews**

The coronavirus epidemic has spread to nearly every nation on earth. As nations struggled with lockdown steps to combat the virus's transmission, domestic and international economies and companies have been tallying the consequences. The COVID-19 epidemic has caused the greatest economic slump in almost a century, endangering health, interrupting economic growth,

and harming well-being and employment. Extraordinary measures are needed to balance the tightrope of healing, which will determine the social and economic chances for the next decade. The COVID-19 has resulted in historic reductions in GDP in developed economies in 2020. Global analyses have also been hampered by differences in how National Statistical Institutes (NSIs) report non-market production (Sumner, Ortiz-Juarez, & Hoy, 2020). The global epidemic has emphasised some aspects in which headline flow rate or "real" GDP figures may be less equivalent across countries; market valuation or nominal GDP figures are more globally analogous but do not invariably acquire all of the characteristics of federal benefits rendered in volume assumptions.

Before the COVID-19 crisis, tax income, the significant contributor of domestic public assets and the single greatest source of advancement financing, had been inadequate in many nations, particularly when compared to SDG expenditure demands. More than one-third of the 124 nations qualifying for formal development aid (ODA) with statistical reports on tax income in 2017 had tax-to-GDP levels beneath 15%, which is commonly regarded a benchmark for efficient state administration and economic progress (Erokhin, & Gao, 2020).

Spontaneous behavioural changes and the implementation of limitations in the early months of 2020 to halt the spread of the coronavirus resulted in historic GDP drops in advanced nations. This drop was unexpected in terms of the extent and timing of the recession, and also the unevenness of the industry-level effects. Those organizations that rely on face-to-face contact have been hit the hardest. When compared to prior recessions, this underscores why it is unusual that the major industries have been hit the worst. Although there was a comeback in Quarter 3 (October to December) 2020, the newest quarterly data reveal that the amount of UK GDP in Quarter 3 2020 is still 8.6 percent lower than it was before the Coronavirus (Hevia, & Neumeyer, 2020).

In the years leading up to COVID-19, the level of financial development to raise resources had grown restricted in a number of nations. The aggregate public debt across the 59 countries categorised as low-income economic growth by the IMF increased from 38.7 percent of GDP in 2010-14 to 46.5 percent in 2017 before plateauing. In the very same collection of countries, loan repayments accounted for 12.2 percent of the national income on median in 2018, up from 6.6 percent in 2010. African nations had the strongest debt ratios because they had obtained significant debt reduction through initiatives such as the Heavily Indebted Poor Countries (HIPC) Initiative as well as the Multilateral Debt Relief Initiative (MDRI) (SIDDIQUI, 2020).

Governments all over the world are enacting a variety of tax policies to alleviate the load on individual taxpayers and maintain businesses functioning; although, this comes at the price of decreased public income, at least in the near term. Timeline stretches, payment postponements, and expedited tax refunds are among the measures.

Estimates imply that tax revenue might fall by 12% to 16% relative to a non-COVID-19 baseline period. As a result, the budget deficit might rise by 2.7 to 3.5 percent of gross Domestic product. This view is supported by preliminary evidence from monthly statistics. In Peru, tax income fell by 40% year after year in April 2020, while in Jordan, total tax revenue fell by 49% year on year in April 2020 (Beckman, et al., 2021).

Several local resources, aside from public funds, will be impacted as well. Domestic capital investment is anticipated to fall as a result of the high level of economic uncertainties, the decrease of economic production, and indeed the imposition of enforceable liquidity limitations. The impact of the 2020 recession on household savings is determined by the ratio of change in the value to change in economic output. As one example, after the 2008 financial crisis, gross domestic savings as a proportion of GDP fell.

### **1.3 Research Gap**

This paper's focus is to fulfil research gaps that have been found in other priorly available research. Within the main research gap the study will highlight the impact of fluctuating GDP upon developed and developing countries during the covid outbreak. The paper will critically compare the pre and post GDP rate of different countries and analyse the reason behind the downfall of the same. Along with that, the research will fill the gap by analysing the current and near-term forecast for the effect of the epidemic, as well as the long-term impact it has caused to the economic growth. Further, discussion will be provided upon the initiatives undertaken by governments to deal with this issue with their provinces.

### **1.4 Research Question**

1. How has the international real GDP growth forecasted ?
2. What are the consequences faced by low-income countries due the downfall of GDP during the pandemic?
3. How have the rates of GDP with emerging economies fluctuated after the covid crisis?

### **1.5 Importance of the Study**

The proposed study is important because it addresses among the most contentious issues on the international stage. The article offers insights into the worldwide economic repercussions of COVID-19. Furthermore, it analyses how the worldwide economic crisis is disproportionately affecting low-income and emerging nations. The global picture remains vulnerable to substantial downside risks, such as the likelihood of more COVID-19 surges and financial difficulties in the face of high EMDE household debt. It is particularly significant because it illustrates how inequalities in continuous financial assistance degrade economic development and restoration possibilities in low-income nations and vice versa in rich economies.

### **1.6 Research Objectives**

1. To analyse the forecasted international real of GDP growth
2. To evaluate the consequences faced by low-income countries due the downfall of GDP during the pandemic
3. To discuss the fluctuating rates of GDP with emerging economies after the covid crisis

### **1.7 Scope and Limitation**

There are a few limitations in this research that have limited the scope of this study article. The restriction indicates that the study will only examine the influence on GDP of rich and developing nations during a certain pandemic. The study is confined to a few large developed and poor countries. The article will solely assess the nation's post-pandemic scenarios and will analyse their GDP reductions. Furthermore, the investigation is confined to serious economic harm. The study found that the general population suffered from a high incidence of family lack of income and also deterioration in several quality of life categories.

## **2. Research Methodology**

This chapter will go over the many techniques for assessing the paper's aims. The research methodology describes the steps used to justify the study findings. This section encompasses a series of procedures for collecting, organising, and analysing data for the research topic. The research methodology is critical to the study's accuracy and consistency. This method is created in a certain style of analysis to build that specific kind of idea to investigate the relationships between variables like theoretical and analytical. The following points will be highlighted further to critically state what approaches are used:

## **2.1 Research Method & Design**

In this study, a descriptive research strategy will be utilised to move the investigation forward in a logical manner. This study is the proper way using the qualitative research technique to investigate the theoretical elements and assess the many features of the research difficulties. As a consequence, data were gathered from multiple credible sources and evaluated further for the ultimate interpretation of the outcome. The data gathered by the researcher through secondary sources is the previously accessible source of data (Kumar, 2018). Typically, this sort of data is gathered from reliable internet sources such as journals and papers, government publications, public sources, and so on.

## **2.2 Research Approach**

Research approach is an essential aspect that influences the researcher to choose the appropriate techniques for the type of research. To conduct this study, the interpretivist method is used. It investigates the perspectives and ideas of diverse members of society on the topic of inquiry. It would also focus on developing and making sweeping statements of new conceptual frameworks based on the collected data (Sekaran, & Bougie, 2019). The observation of this approach also helps to the analysis's result.

## **2.3 Analysis of Study**

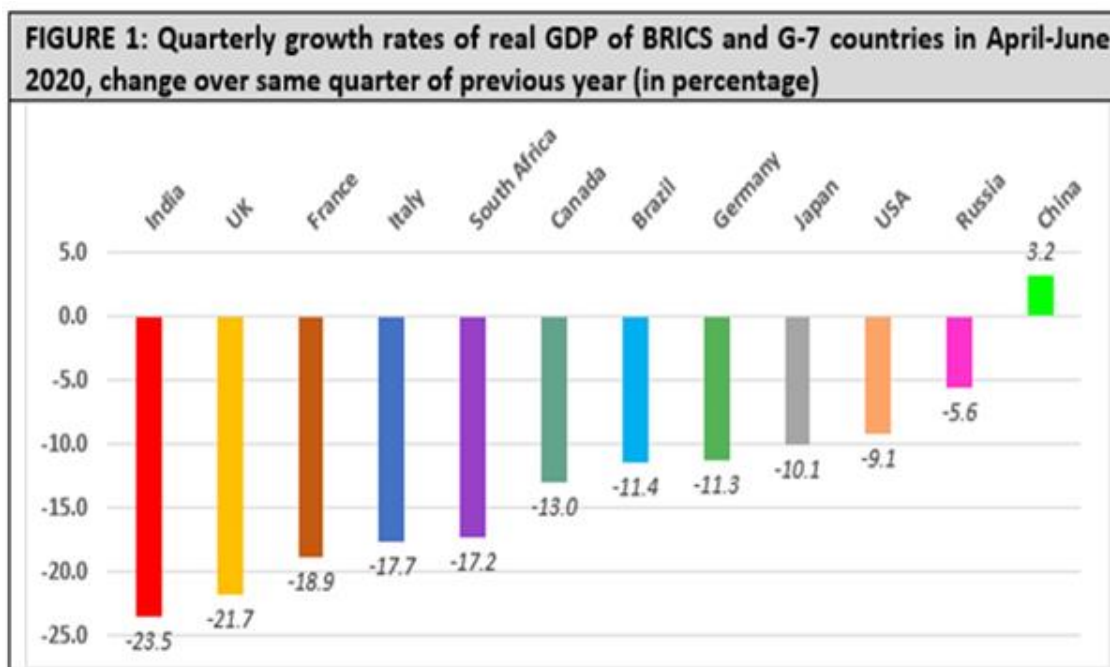
### **1. How has international real GDP growth been forecasted ?**

Real GDP (gross domestic product) is expressed in current prices and corresponds to GDP level. Steady price GDP statistics are calculated by quantifying the prices of all products and services produced over a specific year in terms of a reference period. Forecasts are based on an evaluation of the economic conditions in particular nations and the global economy, which is done using a blend of model-based analysis and expert opinion (Jansen, et al., 2016).

The world economy is rising out of the abyss it fell into during the Big Shutdown in April. However, as the COVID-19 epidemic spreads, several nations have postponed restoration and others have reinstated partial shut downs to safeguard vulnerable people. While China's comeback has indeed been quicker than predicted, the world economy's lengthy journey returning to pre levels of activity remains vulnerable to setbacks.

Exact estimations of major countries' real GDP (gross domestic product) rates of growth for April–June period of 2020 were the most fluctuating (Jansen, et al., 2016). Except for China, nearly all nations had real GDP declines, as predicted. India is the worst-affected G-7 and

BRICS country, with a 23.5 percent decline. GDP reductions in France, Italy, Africa, Colombia, Argentina, England, and Japan were in the double digits. The US Great Depression began by 9.1 percent, while Russia's GDP shrank by 5.6 percent despite strong government action. Despite a comparatively less rigorous government reaction to the epidemic, one of the most surprising contractions happened in the United Kingdom, in which the semiannual rate of growth fell by 21.7 percent. China has been the only country with solid growth in this quarter, with a rate of 3.2 percent (Conflitti, et al., 2015).



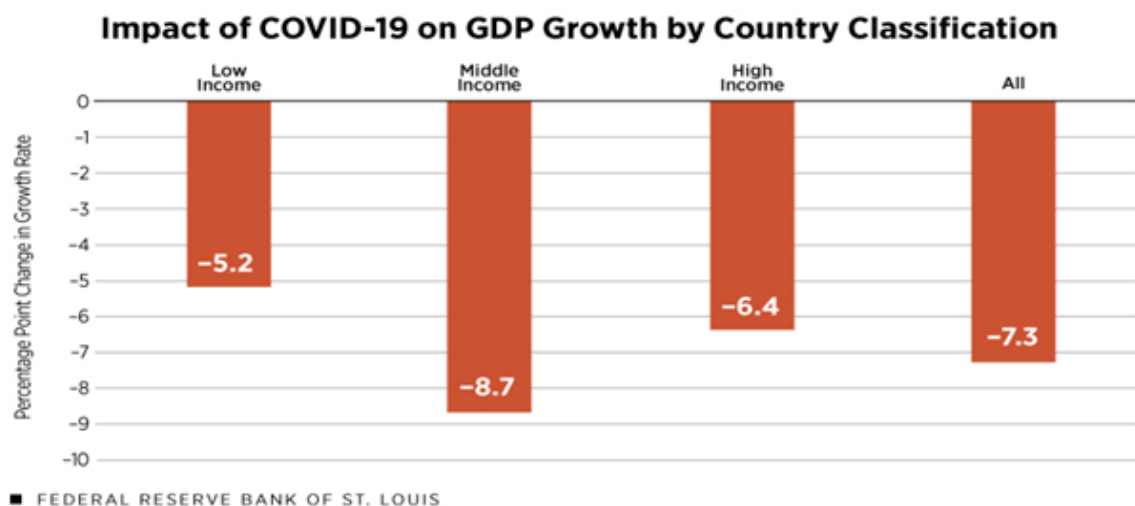
Many people were taken aback by the significant reductions in all large economies. Many reputable international organisations, like the Global Monetary Fund (IMF), predicted that the epidemic and the resulting constraints on economic development would have a considerably smaller impact, including in April of this year. It is also expected that the nations who took more rigorous measures to combat the epidemic will suffer larger economic consequences. In several of these countries, the decision between general life and the economy was hotly discussed.

In normal conditions, predicting forecasts is highly valuable in governance. However, the epidemic has momentarily rendered these forecasts untrustworthy (Barsoum, & Stankiewicz, 2015). Pinning expectations on shaky growth predictions today is risky, since it has the ability to plunge any back into recession or lengthy unemployment. Growth goof ups in both predicted and actual GDPs are quite high in India, indicating a significant likelihood of bankruptcy and/or

instability in the long haul. Rather than depending on inaccurate projections, boosting demands into the economy through stimulus spending initiatives and safeguarding the GDP by boosting local consumer segments is a better bet. That appears to be the smarter and better course for Indian financial management over the next year (Yoon, 2021).

## 2. What are the consequences faced by low-income countries due the downfall of GDP during the pandemic?

Whereas the COVID-19 epidemic attacked the whole world in 2020, low and high income countries have all been influenced by different factors. The average excess rate of death in low-income nations was 34%, accompanied by 14% in low-income nations and 10% in high-income states. low income countries, on the other hand, took the worst damage to GDP growth, consisting of high countries. While the COVID-19 issue is reverberating throughout the world, low-income emerging economies (LIDCs) are in a terribly challenging position to act. LIDCs have indeed been badly impacted by outside shocks and are experiencing significant home constraints as a result of the virus's growth and shutdown efforts to prevent it (Shapira, et al., 2021). At the very same moment, inadequate resources and poor governance hinder many LIDC administrations' ability to assist their economy. Persistent wounds are likely to adversely affect overall development in the absence of a persistent international commitment to assist low-income developing nations.



LIDCs began the COVID-19 problem for an already precarious situation; for example, 50% of them had significant amounts of public debt. During March, LIDCs have already been affected by an unusual convergence of market volatility, including a significant decline in real exporters,



lower exporting values, particularly for oil, fewer capital and migrant outflows, and decreased tourism receipts (Hevia, & Neumeyer, 2020). In terms of home effect, whereas the epidemic has progressed more cautiously in LIDCs than those in other places of the globe, it is currently wreaking havoc on economic activities. Many LIDCs worked quickly to stop the spread. Presented with such restrictions, the brief but severe front-loading of confinement served an important function: it straightened the transmission trajectory while allowing time for the health system to create capabilities. Many LIDCs have taken this journey: while having provided less total participation to their businesses than developed market economies, their proportion of increased expenditure on health has indeed been larger. Development in low-income nations, where immunisation has underperformed, has been lowered downward to 2.9 percent. With the exception of last year's recession, this would be the weakest rate of development in a couple of decades. The productivity level of the unit in 2022 is expected to be 4.9 percentage points lower than pre-pandemic forecasts (Mohajan, 2020). The epidemic has had the greatest impact on unstable and crisis affected low-income countries, and per capita spending increases were put back nearly a decade.

Although many poor nations used urgent social payments to try to reduce the pandemic's adverse socioeconomic effect, they were insufficient to counterbalance the pandemic's repercussions. Low-income nations, for example, paid around \$6 per individual on COVID-19-related social safety, whereas lower middle-income nations spent approximately \$26 per head. As a response, unemployment rates resulted in economic damage for two-thirds of families on aggregate, which were exacerbated for homes with females, youngsters, and less-educated employees, and deprived several of all but the most basic requirements (Bong, et al., 2020).

### **3. How have the rates of GDP with emerging economies fluctuated after the covid crisis?**

Funds for economic development had already been in jeopardy at the start of the COVID-19 crisis. The effect on the economy has been exacerbated since developing capitalist economies have been pummeling by a series of shocks. A drop in foreign demand has exacerbated the consequences of internal containment efforts. Tourism-dependent nations have been extremely tough impacted by a drop in travel, as have oil producers as resource prices have dropped (Canuto, 2020). With global commerce and crude prices expected to fall by far more than 10percent and 40%, correspondingly, developing economies would have an uphill struggle. This is despite the fact that budget deficits have steadied and national gaps have receded in comparison to the extremely turbulent market circumstances witnessed.

### Exchange rate market pressures in major Emerging Market Economies

Exchange rates adjusted to a larger extent, reserves were used sparingly.



Prices of commodities have plummeted as a result of the global downturn, with prices for goods exported by poor nations falling by 20.4 percent in 2020. This is the biggest drop ever recorded. In 2020, emerging economies will shed \$800 billion in export earnings. On top of that, there has already been a significant drop in contributions. Countries that rely on tourists and sell oil are especially severely impacted (Sikder, et al., 2020).

Consequently, the IMF's Fall data is Categorized under global update predicts that emerging market countries would contract by 3.3 percent this year. The biggest decline on record for this class of countries. The extent and duration of the global economic downturn are uncertain, however the bank anticipates a resumption to development in 2021, with 5.2 percent overall and 6.0 percent in developed and emerging markets. This indicates that production in developed and emerging markets is unlikely to rebound to 2019 levels before 2022. This economic prediction of poor future growth hurts economies even more by deterring expenditure (Bizuneh, & Geremew, 2021). There have been notable exceptions to this trend, such as certain developing Asian economies functioning better.

Government expenditures in emerging economic nations are expected to more than double to 10.5 percent of GDP on average in 2020, almost double the amount the year before. The federal

government's borrowing is expected to reach 63 percent of GDP in 2020, maintaining its rising trend with a ten-point increase from the year before. International markets and emerging countries owe over \$11 trillion in foreign debt, with approximately \$3.9 trillion in debt payment due in 2020. Debt threatens to produce a worldwide development catastrophe, just as the epidemic threatens to generate a global medical emergency (Darvas, 2021). As the crisis worsens, there is a significant danger of bankruptcies, which is exacerbated by the frighteningly high probabilities of business default. In view of the looming debt crisis, an effort has been launched to exempt developing nations from debt loan repayments until 2020. IMF current accounts will also be useful for nations that require further assistance, although the IMF may need to raise these current accounts.

The recent global market environment perpetuates this by reducing and withdrawing overseas investment that supports development. Commodity-exporting countries will see a \$2 trillion to \$3 trillion reduction in international investment throughout the next 2 years. Deflationary pressures from developed and emerging markets totaled an estimated \$100 billion. International private investment transfers to emerging nations may fall by USD 700 billion in 2020 compared to 2019, surpassing the immediate effect of the 2008 Financial Crisis by 60% (Barua, 2021).



Whatever the severity of the current economic crisis in Spain or other areas of Western Europe, our problems pale in comparison to those of emerging market economies. However, it should be

recognised that not all emerging economies are equally affected. While other nations have handled admirably, such as Rwanda, which employed robots and drones as part of their approach and successfully ramped up testing. But on the other end of the scale, nations such as the Democratic Republic of the Congo, Yemen and South Sudan, which have already been ravaged by violence, now face the threat of hunger (Feyisa, 2020).

<b>Real GDP Growth Rates (Average Annual Percent Change)</b>			
	<b>2011-2019</b>	<b>2020</b>	<b>2021</b>
United States	2.3	-3.4	5.9
Europe	1.6	-6.6	4.9
<i>United Kingdom</i>	1.9	-9.8	6.4
Japan	1.0	-4.7	2.5
Other Mature Economies	2.7	-2.2	5.3
China	4.4	1.4	5.2
India	6.8	-7.1	7.5
Latin America	1.1	-7.5	6.1
Middle East & North Africa	2.8	-2.7	3.0
Russia, Central Asia and SE Europe	2.8	-1.5	5.4

Market performance internationally is lowered down significantly from 5.2 percent to 5.1 percent in the Worldwide Economic Assessment. The United States, along with numerous other established economies (such as Australia and New Zealand), India, other growing Asian countries (such as ASEAN markets), and Sub-Saharan Africa, are seeing their GDP forecasts revised lower. China's GDP growth, on the other hand, was not lowered.

Substantial worldwide price increases are anticipated to continue further as the epidemic causes order bottlenecks and manufacturing shutdowns, as well as stalled distribution and transportation owing to manpower constraints and shipment capacity limitations (Zheng, & Zhang, 2021). Furthermore, a postponement in the transformation from primary commodities spending towards a more equitable private consumption system that comprises in-person activities would keep overall pricing levels elevated for a longer period of time. As a result, corporate leaders should anticipate higher rates of interest relatively soon, as financial institutions boost policy interest

rates, particularly in developing nations, and accelerate the timeframe of monetary stimulus reduction in developed economies. Beyond 2023, the Survey Board is responsible for ensuring the world economy to progressively slow to a yearly rate of approximately 2.6 percent, down from the elevated numbers observed in the early following of the global recession. The worldwide pandemic's significant shrinkage may put a lasting imprint on international growth in the economy, although overall growth is projected to rebound to near to, but again not greater than, pre-pandemic forecasts (Rasul, et al., 2021). The World Economic forum predicts that US Real GDP growth would drop to 5.5 percent (annualised rate) in Q3 2021, down from 6.6 percent in 2002 and that economic increase will be 5.9 percent in 2021.

The World Economic forum forecasts an official growth Rate of gdp of 8.8 percent annual growth in 2021, then 5.5 percent the following year. During the first quarter of 2021, China's economic expansion was mostly powered by robust economic growth and sustained property investment. Whereas a deterioration in the second half was predicted, the steep and widespread drop in business growth in July was unexpected. Industrial output, investment demand, and retail sales growth have all slowed.

The wide ranging decrease in domestic sales in China – such as residential home supply, demand for funding by firms and households, and private sector demand – was highly alarming. It revealed structural flaws that emerged as the unusual interplay of China's COVID-19 restoration "growth" period. In specific, the increasingly large economic growth and property investment of the previous four quarters – came to an abrupt end (Chudik, et al., 2020). Although pro-growth initiatives are planned later in the second quarter, they are projected to be modest. Credit limitations, which have been in place since mid-2020, are unlikely to be eased significantly. As a result, growth should moderate in the second half of the year and into 2022.

### **3. Results and Conclusion**

As a result of the study discussed above, it may be concluded that the voluntary social distance and lockdowns that occurred as a result of the Covid pandemic had an impact on worldwide unemployment and company closures. The economy's potential to generate products and services was limited by lockdown measures and social alienation. For historic recessions, the main distinctions shrunk in real GDP from the trade cycle's peak to the quarter when GDP recovered to the preceding economic cycle's peak. Prior to the COVID-19 crisis, many countries' tax revenues, which are a largest source of national assets and the single biggest source of development funding, were insufficient, comparative to SDG expenditure needs. Over than a third of the 124 countries eligible for official development assistance (ODA) with statistical data

on tax revenue in 2017 had tax-to-GDP ratios of less than 15%, which is often recognised as a benchmark for effective state officials and economic success.

A variety of rich and developing nations were assessed, and it can be concluded that the epidemic has had the greatest impact on poorer countries. GDP in developing nations plummeted to dangerously low levels, whereas wealthy countries discovered means to counteract the trend, while being equally affected. The developing and advanced worlds both had their GDP fall in successive quarters, with the developing world seeing the worst quarterly loss in economic production on record. The ratio of value increase to change in economic production determines the impact of the 2020 recession on household savings. Governments across the globe are implementing a range of tax policies to relieve the burden on tax filers and keep businesses afloat; however, this comes at the cost of reduced public revenue, at least in the short term.

#### **4.1 Results**

The analysis of the subsequent study revealed that many individuals were surprised by the considerable decreases in all big economies. Many respected international agencies projected that the pandemic and the accompanying economic development limitations would have a far lesser impact. Outside shocks have had a big influence on LIDCs, and they are suffering substantial household limitations as a result of the virus's spread and measures to stop it. In low-income countries, where vaccination has failed, progress has been reduced to 2.9 percent. This would be the slowest pace of growth in decades, except for last year's recession. In 2022, the unit's output is anticipated to be 4.9 % low. The pandemic had the biggest effect on low income nations that are unstable and in crisis, delaying per capita expenditure growth by nearly a decade.

The damage on the economy of rich nations has worsened since developing economies have been battered by a series of shocks. The effects of domestic control measures have been worsened by a decline in international demand. With global trade and crude oil prices likely to drop by more than 10% and 40%, respectively, developing countries would face an uphill battle. Emerging economies will lose \$800 billion in export revenue by 2020. Emerging market nations are expected to decline by 3.3 percent this year, according to the IMF's Fall report, which is categorised as a global update. In 2021, the bank forecasts a return to growth of 5.2 % total and 6.0 percent in developing and developed nations. Government spending in developing economies is anticipated to nearly double to 10.5 percent of GDP in 2020, almost double what it was the previous year. Borrowing federally is anticipated to reach 63 percent of GDP in 2020, continuing its upward track with a ten-point rise over the previous year. Over \$11 trillion in foreign debt is owed by global markets, with \$3.9 trillion in debt payments due in 2020. Debt risks causing a

global financial disaster, much like the pandemic threatens to cause a global medical event. The entire amount of low inflation from advanced markets was expected to be \$100 billion. In 2020, global private equity flows to emerging countries may decline by USD 700 billion, above the direct effect of the 2008 Financial Crisis.

#### **4.2 Future Scope**

There are certain limitations within this research. Future research should evaluate the contradictions with the developed and developing countries in the post covid scene. The future scope could imply evaluating how to have the governments undertaken to deal with the GDP issues within the different country in the post covid scenario.

#### **4.3 Suggestions**

The international governments should strive to take advantage of decreased commodity prices on the global market. Reduced fuel and power prices can pass these savings on to customers, especially commercial and industrial users. Diesel, that is mostly utilised in farming, industries, and commercial vehicle transportation, should be prioritised for price reductions. Wherever feasible, developed nations should assist. China is undoubtedly contributing by giving technology and engineering support to a number of Asian and African countries.

Beyond their boundaries, the United States and European countries should boost up their support. It has been argued that one way to achieve this swiftly and efficiently is to cancel, or at the very least restructure, part of the debt of poor nations impacted by the epidemic. Loan repayment consumes a substantial percentage of government spending. This cash would be considerably better spent right now assisting individuals in surviving the catastrophe.

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