

**NEW TRENDS IN THE WORLD ECONOMY AND MARKET SECTORS  
AFFECTED BY THE DECLINE AND DEVELOPMENT OF THE COVID-19 PANDEMIC**

*Калашников І.С. – здобувач вищої освіти групи МЕН 1/1*

*Науковий керівник: Ганніченко Т.А., кандидат педагогічних наук, доцент кафедри іноземних мов МНАУ.*

*Пандемічна криза впливає на тенденції подальшого розвитку міжнародного бізнесу. Було досліджено негативний вплив пандемії на сектори виробництва, сільського господарства, споживачів, світову економіку. Виявлено сектори, які отримали поштовх для розвитку. Проаналізовано потреби людей і запитів бізнесу у цей час, виділено 4 мегатренди.*

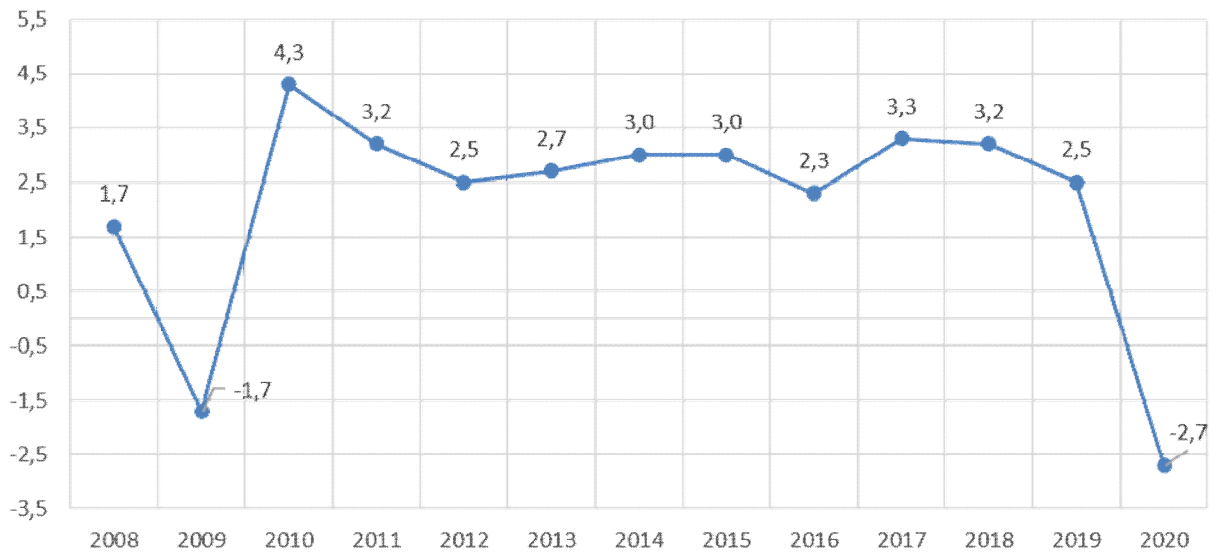
***Ключові слова:** pandemic, recession, world economy, losses, opportunities, megatrend.*

*The pandemic crisis affects the trends of further development of international business. The negative impact of the pandemic on the sectors of production, agriculture, consumers, the world economy was studied. Sectors that received an impetus for development were identified. The needs of people and business requests at this time are analyzed, 4 megatrends are allocated.*

***Keywords:** "the negative impact of the pandemic", "impetus for the development of sectors", "4 megatrends"*

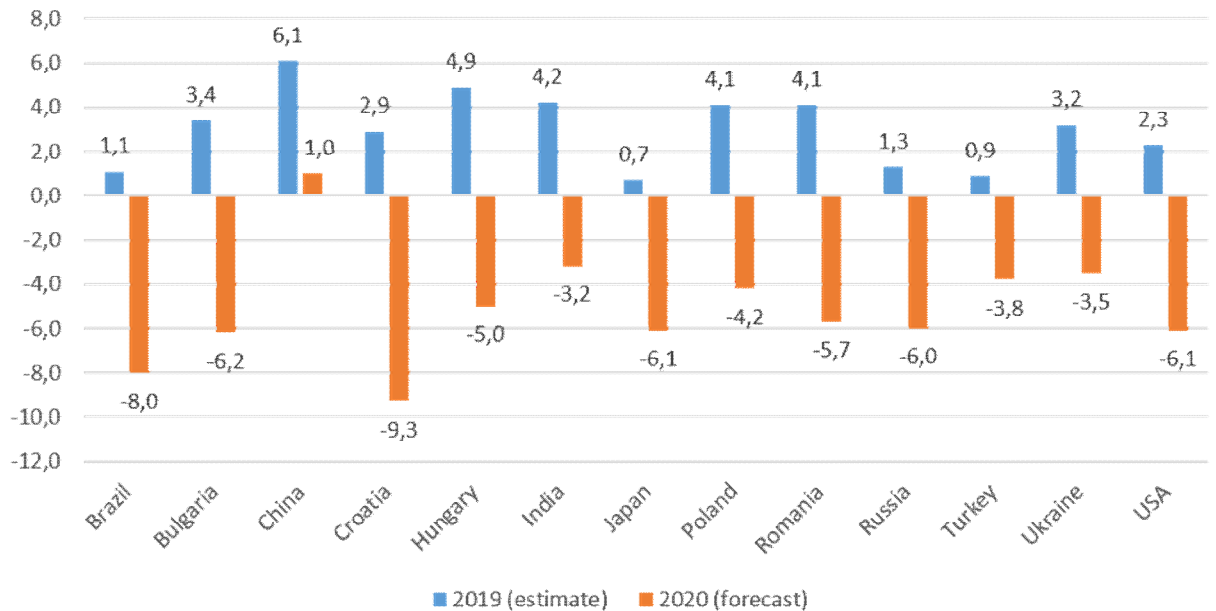
Recessions in the world economy have been observed in various historical periods. Considering these phenomena at the beginning of the 21st century it can be noted that they arose inclusive of ones under the influence of pandemics of influenza and swine flu in 2008-2009, Ebola in 2014-2015. But they had a short-term effect on the world economy following which its usual development continued with elements of renewal and partial removal of artificial layers (financial bubbles, pyramids, etc.). Comparing the phenomena of 2008-2009 and 2014-2015 and the current situation with the COVID-19 pandemic we can make a predictive judgment that the global economic recession in 2020 will be more severe as compared to previous crises. But in the second half of 2021 - early 2022, after overcoming a new pandemic and getting rid of outdated and artificial layers the renewal and growth of the world economy will begin following the above objective laws.

Figure 1 presents IMF data on a change in dynamics of world GDP as a result of the impact of three pandemics. As we can see, the world economy following the flu pandemic in 2008-2009 declined by 3.4%, after the Ebola pandemic in 2014-2015 - by 0.7%. According to the forecast of the Munich Economic Institute "Ifo" based on results of an opinion poll of about 1,000 experts from 110 countries, the GDP in Europe in 2020 may decrease by 5.3%, world GDP by about 2%.



Source: <http://wdc.org.ua/sites/default/files/u10/WDCU-COVID19-Res09-Fig32.png>

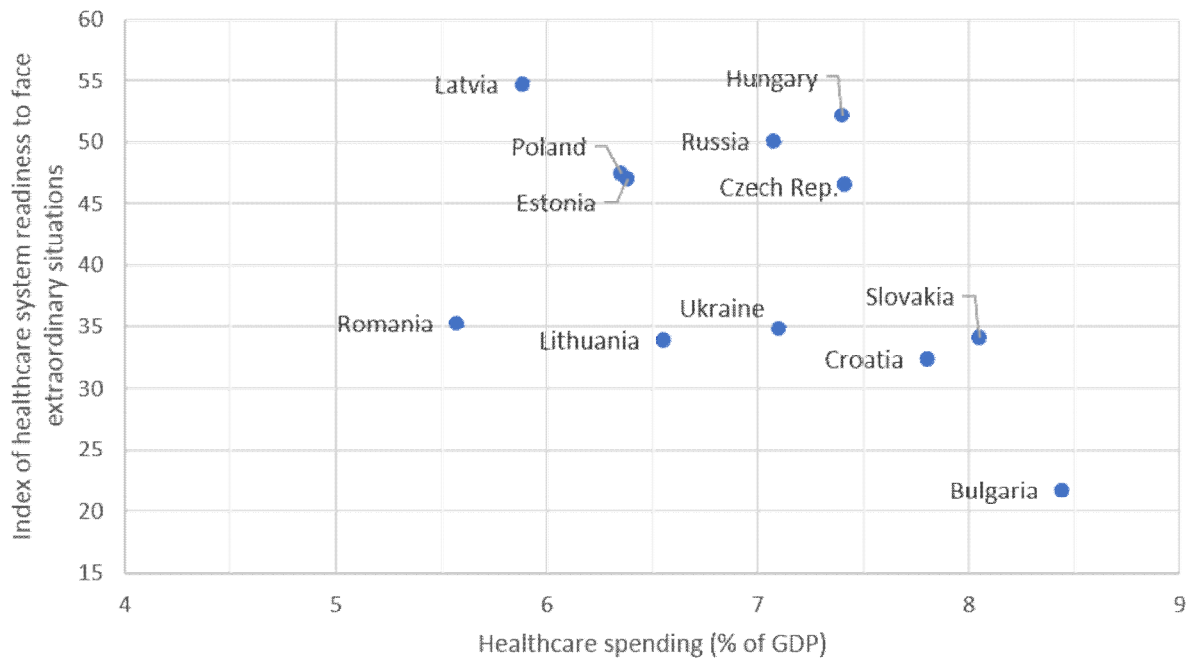
**Negative consequences.** The pandemic crisis influences further development trends in international business. In particular, there are significant territorial risks due to the high concentration of productions and supply channels in some Asian countries which put the international business in a difficult situation. Therefore, there will be a change in supply channels and the relocation of some industries from Asia to countries with highly educated populations, such as Poland, Ukraine, Slovakia, and others. Over the next 5-10 years, a significant decline is expected in all sectors of production and agriculture which are based on technologies of the 5th and lower structural classes and have a high concentration of workers performing low-skilled operations. Consequently, over the past six months travel agencies, restaurants, the leisure industry in general as well as a large number of industries (excluding agriculture) have suffered significant losses. First, since 2009 the world economy will decline: After growing by 2.5% in 2019, global GDP will shrink by 2% in 2020 and this decline will continue in the first half of 2021. It is also expected a decrease in the markets of 68 countries, compared to 11 countries last year, a decrease in international trade by 4.3%, and an increase in global bankruptcies by 25%.



Source: <http://wdc.org.ua/sites/default/files/u10/WDCU-COVID19-Res09-Fig33.png>

Consumers have already switched to economic austerity and have sharply reduced the expenses on various goods and services, purchases of expensive goods - home appliances, electronics, cars, housing, and so on. Due to bankruptcies, mainly in the small and medium business sector, on the one hand, and automation of production processes and mechanization of the agricultural sector, on the other hand, unemployment is expected to grow rapidly. According to analysts, it could reach 15% in the world and 20% in Europe. These phenomena can cause significant social unrest, as retraining people and creating huge numbers of jobs in new sectors of the economy will be much slower than the destructive processes of the previous economic system.

This forecast may be justified if the third and fourth quarters of 2020 do not lead to an outbreak of the second wave of coronavirus and that most countries around the world do not return to the conditions of strict quarantine. In this case, all forecast figures will be adjusted for the worse. The effect of an eventual second wave of coronavirus can be significantly reduced using the effective operation of national health systems that were mobilized when coping with the first wave. Figure 3 shows the readiness of health care systems in different countries of Eastern Europe.



**Source:** <http://wdc.org.ua/sites/default/files/u10/WDCU-COVID19-Res09-Fig34.png>

**New opportunities.** The pandemic crisis has negatively affected almost all sectors of the world economy, but some of them have received a significant impetus for development over the past 5-6 months based on the peculiarities of human and business demand at that time. In its Future Possibilities Report 2020, the United Nations identifies four megatrends that will transform the world after the end of the COVID19 pandemic. They are as follows:

**1. The Big Data Economy: Hyper-connected Society.** A breakthrough increase in the level of communication between people is expected against the background of the introduction of 5G technologies, cheaper and more efficient computing power, and data storage. The capability to send large data volumes, rapidly analyze and process them using artificial intelligence will improve the ability to optimize processes and services and create new, efficient business models in different sectors of human activity.

The development of artificial intelligence technologies, robots, sciences, and technologies for processing large amounts of data are speeded up substantially in all areas of human activity to reveal their hidden regularities and other intelligent systems. Even now, technologies for remote operation in business, education, civil service, and some other areas are developing rapidly. For half a year of quarantine measures there is an increase by 20% -30% in online information and entertainment services, by 40% -60% in online trading and mail and messenger delivery sector, by 40% -50% in online educational and gaming platforms, by 60% -70% in online platforms for conducting webinars, conferences, educational platforms, by 40% -60% in the pharmaceutical industry.

**2. Low-Carbon Economy.** Under the Paris Agreement approved in December 2015 at the 21st session of the UN Conference on Climate Change "COP21", 195 countries have committed themselves to a gradual passing to a model of the low-carbon economy. The goal of this model is to

prevent an increase in the Earth's temperature by 2 degrees which, in experts' opinion, is a threshold value after which irreversible processes in the Planet's ecology.

The Paris Agreement became a new important benchmark for the world economy. The growing demand of markets for energy must be met via the development of new, green power. Even now, investment models and innovations in energy-saving technologies, new battery technologies, electric transport, energy-efficient buildings, and fuel cells working on hydrogen are becoming of particular importance.

**3. The Wellbeing Economy Rethinking.** The main values of people's lives, the interest in physical and psychological well-being is already huge, and after the end of the pandemic, it will greatly grow. New approaches to improving people's quality of life are rapidly being rethought and are beginning to be applied at the individual, community, and organizational levels. There are many new opportunities in this area, especially in developed countries. But developing and even least developed countries will follow in the footsteps of developed countries. First of all, there will be a significant increase in interest in reimagining health, physical and psychological well-being. The main trends are health prevention, educational programs, fitness, diet, health, travel. In half-year of the spread of the COVID-19 pandemic, consumer demand for organic food in Europe increased by 6%, the production of electronics and special systems for medical and educational needs increased by 40% -50%

**4. The Circular Economy Awareness** of the world community about the need to reduce the negative impact of human activities on the environment is becoming a motivation for the development of a circulating economy aimed at reusing resources and reducing waste. The basis of this economy is the secondary resource potential. In terms of the crisis of production during a pandemic in the world, billions of tons of waste are generated with a range of more than 1,000 items. The structure of these wastes is dominated by mining, food, fuel and energy, metallurgy, chemical and household wastes of the planet's population. The circular economy has made a huge demand for the creation of new, innovative technologies for the processing and disposal of waste and its reuse. It will become more widely available as new technological solutions. In particular, secondary metallurgy, utilization, and reuse of nuclear power plant waste, polymeric materials, wood, glass, metal, and plastic containers and packaging are already gaining significant development.

#### **Література:**

1. <http://wdc.org.ua/uk/covid19-transformation-after-pandemic-europe>
2. <https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>