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GLOBAL RECESSION 2020? ECONOMIC IMPACT OF COVID-19 NOVEL CORONAVIRUS ON USA AND SELECT NATIONS OF EUROPE AND ASIA

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Abstract
Pandemics have long been a major threat to the lives of people along with triggering massive blights to the economy of the affected nations and forcing mercurial attitudes and behaviour among the society and its culture to an inexorable extent. Over the years, a number of pandemics have been too hot to handle, thus, halting the momentum of the affected nations and the world in the long haul. The Covid-19 Novel Coronavirus is no different, which has wreaked havoc all across the world, increasing the mortality rates and thus triggering a slowdown in the economic growth, possibly a recession. Its ominous emergence in November, 2019 and potential outbreak in February, 2020, left the world economies reeling and its blemishes triggering massive trepidation across the world. The objective of this research study is to bring out the impact of Covid-19 Novel Coronavirus on the economy of selected nations of the world. In this research study, a total of 10 countries have been selected which are USA, Italy, Spain, France, Russia, Germany, U.K., China, Japan and India, thereby covering continents of North America, Europe and Asia. Hence, the countries selected will give a fair panorama of the economic impact of Coronavirus on their respective continents. The data has been obtained through secondary sources found on reliable authentic websites. The results of the study clearly showcases that these nations are heading towards a global recession.
Keywords: Pandemic; Covid-19 Novel Coronavirus; Economic impact; USA; Europe; Asia

INTRODUCTION

The 2019/20 Covid-19 Novel Coronavirus is an on-going highly contagious infectious disease caused by the acute respiratory syndrome coronavirus 2 (SARS-CoV-2), with common mild symptoms being breath shortness, cough and fever and major respiratory symptoms progressing to pneumonia and multi-organ failures resulting in death. This deadly disease was first identified in China, in the region of Wuhan, Hubei in December, 2019, after observing some peculiar respiratory cases. Soon it skyrocketed striking deathly blows to a large number of people within a very short span of time until the World Health Organization (WHO) declared it as a pandemic on 11th March, 2020. Two days later, Europe became the new hotspot of Novel Coronavirus. Over 28 lakh cases reported and more than 2 lakh people losing their lives, the new pandemic is considered to be one of the most deadly pandemic of all times. With the pandemic of "Spanish Flu" leaving its scars on the world, Covid-19 just made the scars reopen. It is quite difficult to tackle the menacing pandemic at the moment mainly because of its air-borne nature. Some common preventive measures have been proposed which are frequent hand washing, use of masks, quarantines, postponements and cancellation of events, facility closures and total lockdown. Its major effects are economic blights, socio-cultural changes and xenophobia against East Asian descent, the incoming people from abroad and the afflicted people.

Coronavirus and Economic Impact

Economic mayhem stemming out from the deadly Covid-19 pandemic has a wide scale and harsh effects upon financial markets, including stock market crash, bonds and commodities like crude oil and gold markets. The 2020 stock market crash is a global stock market crash which begun from 20th February, 2020 in the ugly aftermath of the Covid-19 outbreak. Stock market indexes like Dow Jones Industrial Average, S&P 500 Index and NASDAQ-100 spiralled during this time since the financial crisis of 2007/08. In just the second week of March, all three Wall Street indices fell more than 7% and most global market reported contractions. This colloquially came to be known as Black Monday and was the worst nosedive since the Great Recession. Stocks across Europe fell close to 10% and three days later, it broke some of the previous records of largest single day percentage drop and worst hit market. Since the objective of this research paper is to have a robust in-depth study about the economic effects faced by select nations of the world, we would first study about USA and the some selected European and Asian countries which are currently perched as richest nations in the world.

Real y-o-y growth (%)	'19	'20	'21
Gross domestic product			
World	2.9	1.6	3.2
US	2.3	0.7	0.9
Eurozone	1.2	-0.1	1.2
- Germany	0.6	-0.3	1.1
- France	1.3	0.3	1.4
- Italy	0.2	-1.6	0.7
- Spain	2.0	0.7	1.1
United Kingdom	1.4	0.3	-0.3
China	6.1	2.4	5.9
Japan	0.8	-0.4	1.3
Brasil	1.2	1.8	2.4
India	5.3	5.3	6.4
Australia	1.8	1.2	2.3

Figure 1: The economic outlook of selected countries for 2019, 2020 and 2021as on 12th March, 2020 (Source: RaboResearch, IMF, Macrobond)

- **World's strongest citadel 'USA' reeling under pressure amidst Coronavirus bedlam**

The world's ultimate superpower, the strongest economy of the world, the mighty USA is now fighting one of the toughest battle it has ever fought. The U.S. economy has been quite unpredictable in recent years, to be more precise, if we look at the country's economy post 2015, we see that the economy of the country has blown hot and cold. Undoubtedly, the ongoing Covid-19 pandemic has piled on new miseriesfor the entire nation.

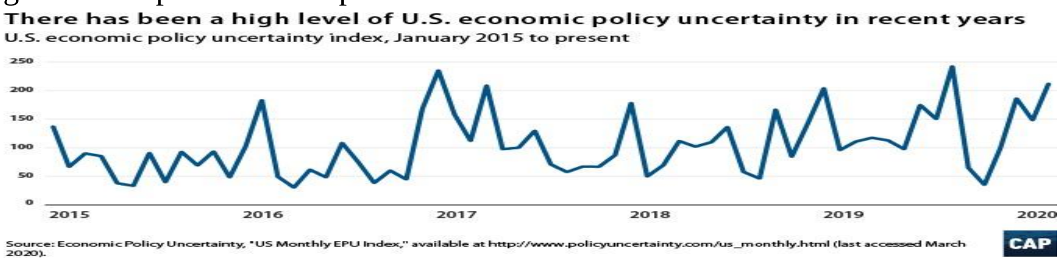

Figure 2: The U.S. economic policy uncertainty (Image source: policyuncertainty.com)

Since the outbreak of the Covid-19 Novel Coronavirus in USA, it has put the sustenance of the reputed nation under jeopardy. Till date it has taken the lives of more 50,000 people and the lockdown enforced in the country as a control measure is hitting the country's economy quite hard. However, this is not the end all, weather forecasters have predicted 13 storms including 9 hurricanes to hit USA in the next 8 months which can prove to be fatal for the U.S. economy. The U.S. economy crumbled under extreme pressure due to the effects of Coronavirus. Myriad workers have been laid off increasing unemployment in the country followed by disrupted supply chains and a massive decrease in the demand as well as supply for

U.S. products and services thus reducing its revenue. With interest rates falling to historic lows and even below 1% on 3rd March, 2020, was an ignominy for the reputed nation facing such a crisis for the first time in 150 years. After the eventual outbreak of the deadly pandemic in the USA, the U.S. stock market took some heart stopping plunges and the Federal Reserve cut an emergency rate. Not only this, a significant proportion of people in the USA lack paid sick leaves and millions are not covered under heath care. This actually made people leave home for workplaces and the result is now clearly visible in the amount of deaths which is comparatively more than other nations. Experts during the middle of March, 2020 had predicted that U.S. GDP would shrink by 40% in the second quarter of 2020. Goldman Sachs' at the end of March had also predicted the unemployment levels in the U.S. to soar up to 15%. The Federal Reserve has announced a mammoth $3 trillion in the form of loans and asset purchases being the largest ever stimulus package but not large enough as it is not allowed to bear on much credit risk all by itself. In order to alleviate this constraint, the U.S. Treasury has made a contribution of $50 billion from the Exchange Stabilization Fund for the purpose of absorbing the bad debts of the Federal Reserve. On 28th March, 2020, the U.S. Treasury got $450 billion more from the U.S. Congress as a part of the U.S. stimulus package which constituted $2.2 trillion. On 30th March, 2020, USA and the reputed multinational corporation 'Johnson & Johnson' signed a whopping $1 billion deal for the production and distribution of 1 billion doses of vaccine by 2021, thereby putting forth a gargantuan $420 million. A similar deal has also been struck with Medora Inc. After announcing the biggest economic stimulus package in March which was worth a massive $2 trillion as Coronavirus aid, the U.S. Congress has now passed a new relief package which totals to a gargantuan $418 billion in the aftermath of the unemployment cases files by 26 million Americans in just 5 weeks. The U.S. budget deficit levels is now soaring past record levels and it will really take some talismanic effort by the U.S. government to bounce back.

Europe becomes a deadly Coronavirus hotspot

With hopes shattered for curtailing Covid-19 Novel Coronavirus, the Barclays Capital has forecasted a global recession, the first since the great financial crisis of 2008/09. Currently the situation in Europe is out of control. Especially in Italy and France, a deadly disaster is unfolding every single day with close to thousands of death. Volatility has now escalated like never before. Most economies in Europe are likelyto face a bear stock market. The root cause of the ongoing economic crisis originates from the Covid-19 pandemic making it different from the past economic crisis which stemmed out from a financial crisis. The European Economy is left scrambling to find tools to off-set the massive fallout in its economy because of Novel Coronavirus. It is falling into a likely recession. The EU finance ministers have agreed agargantuan €500 billion rescue package for European countries which have been dented badly by the Coronavirus pandemic, albeit the package being lesser than the €1.5 trillion which was suggested by the European Central Bank (ECB). Nevertheless, the package has been hailed as the most significant economic plan in EU history by the Finance Minister of France. The crux component of this package consist of €200 billion to guarantee spending by the countries under debt amidst bulging Coronavirus pressure. In this research study we have taken only some of the important European countries like Italy, Spain, France, Russia, Germany and United Kingdom.

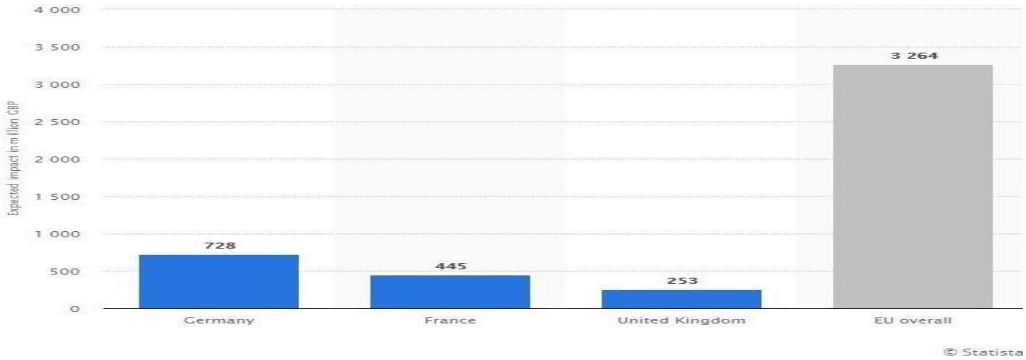

Figure 3: Graphical representation of the Expected cumulative impact of lost retail sales caused by the coronavirus outbreak in UK, Germany, France and overall European Union from March 9, 2020 to April 20, 2020 (in million British pounds)

- **Red zone Italy battered after complete evisceration from Coronavirus**

The world's eighth largest economy is currently witnessing one of its darkest days in its history. The outbreak of Novel Coronavirus in Italy has witnessed massive number of deaths and is increasing every single day. The government of Italy has taken some eye-twitching measures to dodge the menace, insisting Italians to stay at home following a complete lockdown. Schools and colleges, hotels and restaurants, museums and sporting complexes, markets and retails stores all are closed currently. Only medical stores and certain essential food stores remain open. Taking into consideration both the wholesaleand retail sector which accounts for 15% of jobs and contributes close to 12% of Italy's GDP, the economy of Italy has now contracted by 0.4% or even 0.8% in a 'negative scenario.' Accommodation andfood service sector could collapse by 75% fall in output as a result of the national quarantine. Italy expects a fall in its GDP by 3% in the first quarter of 2020 itself. Italy has already endured the pain of three recessions in recent years and is on course for its fourth and possibly its worth. The banks of Italy and their history of bad loans is still an unsettled conundrum. Thus, Italian banks could find themselves short of profits and loans. For a while, Italian banks and their anomaly of bad loans were contracting but since the increase in the purchase of Italian government debts their vulnerability to economic problems amplified. According to the International Monetary Fund (IMF), "Italian government debt exceeds 131% of its economic output at annual basis, trailing Greece which leads this excruciating bandwagon in Europe." Along with the increase in the spread of the pandemic Covid-19 in Italy, the borrowing costs have also increased in the country and this increase in credit is a trepidation for the whole country and its citizens. The government has also approved a package called "Cura Italia" worth of $28 billion to spend in order to ameliorate medical system and drag businesses and households out of the doldrums. Rome has already started distributing funds from fiscal rescue package of up to €25 billion, main measures are €1.15 billion for Italian health system and €1.5 billion for its civil protection and a one-off

payment of
€500 per person for self-employed financial support for Italian families. On 6th April, 2020, the government of Italy announced an unprecedented €400 billion rescue package to support its wobbling economy which has been hit quite hard by Coronavirus. The financial measure comprise of €200 billion to guarantee liquidity to firms and €200 billion to bolster international trade. The government has taken some eye-catching decisions to provide loans of various ranges to both small businesses and large businesses.

- **Novel Coronavirus reopens Spain's exorcisms of the 1918 "Spanish Flu"**

According to the Prime Minister of Spain, Pedro Sanchez this period will mark as "biggest mobilisation of resources in Spain's democratic history." Spain already having suffered the excruciation of the "Spanish Flu" exactly 102 years ago, is now being petrified by the new pandemic. In Europe, it is the second hardest hit country trailing Italy as a result of the outbreak of the pandemic. More than 1lakh people in manufacturing, retail and hospitality services have become temporarily redundant. On 17th March, 2020, the government of Spain declared a package of €200 billion into Spain's economy to combat the effects of Covid-19 as well as send a red alert across the whole country to gear up to face "very tough days." €200 billion is now added to €14 billion announced in the previous week, making up almost 20% of Spain's annual economic output. €117 billion will emerge from the public wallet and the rest stemming out from the private source. €100 billion will also be availed to business in the form of public guarantees to fulfil their liquidity requirements. Much like Italy, Spain is also adhering to strict lockdown. Spain's borrowing costs have dramatically jumped in the few days. While Spain is focused on stopping the deficit from blowing out, European Union is focused on influencing Spain to stop the economy from a major collapse. The Spanish bonds yields are at a 10 month high though but are far from crisis level as of now. The Eurozone's fourth largest economy is now tumbling under pressure with the unemployment soaring up to more than 9 lakhs since the middle of March. According to the data provided by the TRT World, the GDP of Spain could witness a 5% contraction at the end of this year, somewhat similar impact as experienced during the "Spanish Flu." Spain's economy for the second quarter of 2020 is expected to fall by 8.9% according to ING reports. The tourism and hospitality sectors were the crux engine for Spain's economic growth since the Global Financial Crisis of 2008 but now due to lockdown these sectors have been kept at bay resulting in a derailed economy for the country. The ongoing Covid-19 pandemic has put huge pressure on the local and regional governments of Spain. This will actually result in increased debt ratios and destroy their operating balances. In the long run, such ramifications would lead to massive downgrades.

- **France's bold approach to fight the Coronavirus juggernaut**

France is one of the most popular visited places for tourism and accounts for almost 8% of France's GDP. French economy minister, Bruno Le Maire, has prepared a plan to uphold the economy amidst the global pandemic of Novel Coronavirus in which she envisaged mobilisation of €345 billion to bolster the economy. He announced the setting up of €45 billion fund for cancelling or deferring social security contributions for companies in a bid to avoid the bankruptcy of the affected as a result of lockdown. Portions of this money would also be utilized to finance massive small time working scheme. Further, a guarantee scheme of €300 billion has been declared to secure bank loans taken up by the companies to avoid bankruptcy. As a result, the French public debt will creep over 100% of GDP in 2020. The

French economy is expected to shrink by 1% in 2020 juxtaposed to a predicted 1.3% growth forecast prior to the pandemic. As a result of the outbreak of Novel Coronavirus, stock markets are falling and major French companies are facing the heat. To prevent further shrink, the French market watchdog, Autorite des marches financiers (AMF) banned short selling on 92 stocks. The President of France, Emmanuel Macron has also taken a bold approach of delaying tax payments and suspended rent and utility bills for small sized business firms to ensure that they do not fail as a consequence of the pandemic. It is also ready to nationalise industries if needed. According to the latest data predictions by the French Finance Minister, France is heading towards its worst recession since 2009 during which it recorded growth figures of a measly -2.2%. The swaths of the second largest economy of Eurozone is now closed due to further lockdown extension triggering massive blow to public sector deficit of a record 9% since the World War II. The French government has announced an astounding financial package of more than 4% of its economic output which consists of more than €100 billion. The rescue package allows companies to defertaxes and payroll charges. The Bank of France, has mentioned that France has already entered recession with an estimated shrink of 6% in the first quarter of 2020 itself. France, which is under lockdown from the middle of March, 2020 is told to experience an estimated 1.5% reduction in annual output activity in every two weeks. According to INSEE, France is reducing economic activity by 35%.

- **Russia unperturbed amidst Coronavirus pushing the economy into an abyss**

With the trade cut off with China at the moment, Russian exports will take a hit by 12% ($10 hit to exports for 2020) as China accounts for this figure. In January, 2020, Urals oil in Russia saw a drop in value both in terms of Dollar and Rouble. On 10th February, 2020, it fell below 3,400 ($56) a barrel against a price mentioned in the federal budget, resulting in a seismic shift in the Rouble exchange rate. Since the beginning of January, Rouble has lost 3.35% against Dollar already. The Association of Town Operators of Russia has forecasted that the tourism industry is looking down at the face of a huge loss ofa whopping $100 million in the light of quarantine practices. Since, 1.3 million Chinese tourists would lose access to tourism as China was the largest supplier of tourists for this country. Undoubtedly, Russia's recent ramshackle in the aftermath of an oil war with Saudi Arabia which sent the world into a frenzy, theRouble losing its value and Russia's underfunded heath care sectors, the result of the outbreak of this novel pandemic could be catastrophic. Russia's conservative economic policy which has long focused on savings rather than spending can now be a crux weapon to combat the economic crisis looming on it. Russia's conservative nature could now be fully justified. Undoubtedly global recession which now seems inevitable will have a negative impact on the world economy including Russia. Albeit this ominous harbinger, Russia is better poised compared to other countries of the world because of its hard rich surplus. Years of economic isolation and bulging financial reserves have better positioned Russia to ride out the ongoing Covid-19 pandemic. Russia find itself nearly free of debt and is also satiated with its agriculture though Russia's GDP could be affected within 0.1% to 0.2%, according to Alexei Kudrin, the head of the Accounts Chamber. The Prime Minister of Russia, Mikhail Mishustin has announced a $4 billion bailout package to help businesses running at risk due to drop-off in economic activity. Russia's economy would stagnate but is unlikely to enter into a recession in spite of its stock market losing 6% on 6th March, 2020, thus, holding out by a quarter in a space of just 6 weeks which is one of the biggest drops anywhere. Investors withdrew a record breaking $1.4 billion in assets and bonds from Russia on 18th March, 2020.

In spite of this debacle, there as a miraculous change in script as the markets recovered as the national currency bolstered itself trading 2% more than the U.S. Dollar. Brent crude oil climbed back more than 130 barrel, green stock markets signalled, RTS Index was nicely perched more than 7% and MOEX more than 5% while Aeroflot resurged its way to a massive 14% in its share price. According to the latest reports unemployment in Russia could rise up to 15% by the end of 2020 and the economy would fall at least between 3%-5%. Such a result could be catastrophic for the nation which is on the verge to witness its worst ever economic crisis in a generation. But one positive stemming from Russia is that the Russian government has got enough arsenal in its economy to fight such a crisis. It has been reported that the government of Russia has $150 billion in its national wealth fund (NWF) as well as extremely low public debt. Russia's Center for Macroeconomic Analysis and Short-term Forecasting predicts a negative 20% of GDP for the first quarter of 2020 and leaving 15 million people jobless. According to Finexpertiza, a consulting company, just one week of quarantine is costing Russian 123 billion Roubles and a full month quarantine costing the country 1.5%-2% of annual GDP. But some economic experts have an optimistic view that the economy of Russia will quickly bounce back and the GDP would grow by 1.5% in 2020.

- **Germany falls into an abysmal economic paralysis**

The outbreak of Novel Coronavirus has badly hit an already weakened German economy in its backbone, which are the supply chain of its export reliant manufacturers. The deadly pandemic has bludgeoned some significant trade and economic partners of Germany, long seen as Europe's mainstay of growth. Germany has witnessed a 7% contraction of industrial production in 2019 amidst the conflicts in trade, a slowdown in China-the country with which it frequently threads through. In the past few weeks the export oriented manufacturers of Germany tried to unclog bottlenecks in the landscape of global supply chains. Germany has suffered a major setback in economy as well as health condition of its people and lost strong ties with frequently trade integrated countries like China and Italy. Germany could suffer a massive economic loss taking into consideration lockdown of hotels and restaurants and two huge trade fairs completely called off, which would otherwise allure millions of tourists. Germany's DAX 30 stock market index fell more than 4% on 16th March, 2020. The next day it fell by another 1.9% accounting for almost 6% and again a slight pull down seen on 18th March, 2020. As a result of this it returned to the level as it saw itself in October, 2019. With more than 5000 German companies quarantined in China, it isa massive headache for those German businesses in China to seek alternative suppliers in order to supplant those which have been lockdown by the virus. The flagship automobile sector in Germany which witnessed a heart-breaking disintegration of profits in 2019 is likely to taste even bigger disintegration due to the ongoing pandemic. Volkswagen alone accounting 41% of sales in China find themselves in disarray as more than 2/3rd of its 2100 dealers in China remain closed. With the sagging of industrial sector and export sector, the pivotal crutch for German economy during recent times have been private consumption. The airline industry is also facing a huge crisis with all its flights suspended temporarily. The spread of Coronavirus has further stagnated Germany's slow economy. In a bid to immunize Europe's largest economy from the ominous effects of Coronavirus pandemic, Germany would resort to unlimited financing through National Development Bank KfW. According to Institute for Economic Research (IFO) in Munich, the economy could drop by 6%. Germany mobilizes at least 6500 billion in loan guarantees and pledged to provide unlimited liquidity. Germany has also caught the attention of the world due to its alluring Kurzarbeit program which is a system of federal government employment guarantees, which was first used in 2008 financial crisis that pays almost 2/3rd of an employee's salary to a company that would otherwise be locked down in the situation of an economic downfall. Kurzarbeit benefits the workers by a flow of steady income and also ensures losing skilled workforce. Trade war threats and slowdown of the Chinese economy has already inflicted a serious damage on Germany's car industry. Bank of America analysts predict Germany's growth on a measly 0.1% from 0.5%. According to the latest reports of Germany's leading forecasters, the country is expected to witness a shrink by 4.2% in 2020. The German economy is expected to remain subdued at least in the first 6 months of this yeardue to lockdown. The leading think tank of Germany has also predicted a probable shrink in the German economy by a record 9.8% in the second quarter of 2020 which will be double of what the nation faced in the Global Financial Crisis of 2008. Purchasing Managers' Index (PMI) which is a flash composite ofIHS Markit, has tracked both the manufacturing and service sectors of Germany accounting 2/3rd of German economy plunged to 17.1 from 35 in March. This record fall in the output has been a major shockto Europe's largest economy amidst the Coronavirus pandemic.

- **Economic problems of 1945 and 2008 resurface for mighty United Kingdom**

The ongoing Covid-19 Novel Coronavirus has posed serious threat to the mighty United Kingdom and its citizens. The ongoing Covid-19 pandemic has brought back certain worries for United Kingdom where economic crisis can be traced back to the year 1945 during the menacing Second World War which hampered virtually all foreign financial resources of the country leaving it at the mercy of foreign debts amounting to several billion pounds. Again in the year 2008, United Kingdom entered into a recession period which continued till late 2009. The economy of United Kingdom was in complete disarray having suffered 6 consecutive quarters of recession and an ignominious unemployment figure which raised to 7.6% from just 5.2% within one year. Novel Coronavirus is buccaneering this reputed country into similar trajectory of another major economic blow. The United Kingdom will pay wages of workers during this time of pandemic. The government will cover 80% of the salary of the retained workers, a total amount of £2500 (2500 Pounds) a month, who would otherwise be laid off. The businesses have also been exempted from VAT payments till the end of June 2020, hinting a direct injection of more than £30 billion of cashto businesses. The universal credit standard allowance for next 12 months would be increased by £1000 a year as well as an additional support of almost £7 billion through the welfare system and £1 billion of rental support by increasing the generosity of housing benefits and universal credit. Capital Economics, a research company has predicted that the UK economy would collapse as much as 20% as it is now starring down at a barrel of a big recession largely due to massive lockdown implemented in the country. These predictions can be less with the investment decisions breaking down with GDP falling between10% and 20%. An unprecedented £330 billion of government guarantee loans has been announced for businesses which is equivalent to 15% of GDP. British economy which is heavily oriented towards tourism and manufacturing is facing the heat. Central banks in more than 50 countries have already slashed their interest rates to strengthen their economy and talking in this context Bank of England is no different. On the presumption of the pandemic existing till late May, the GDP growth in both the first quarter and second quarter will be highly negative. The fall in output in the first quarter could be smallbut a drop in GDP of 2% to 5% is expected in the second quarter. Rishi Sunak, the Chancellor of Exchequer, has also announced a rescue package to the small businesses in the form of cash grants of £25000. However, the current scenario in UK is getting bad to worse. CIPS Flash UK Composite Purchasing Managers' Index (PMI) fell to a record low of 12.9 from a previously forecasted 36.0 in March, 2020.

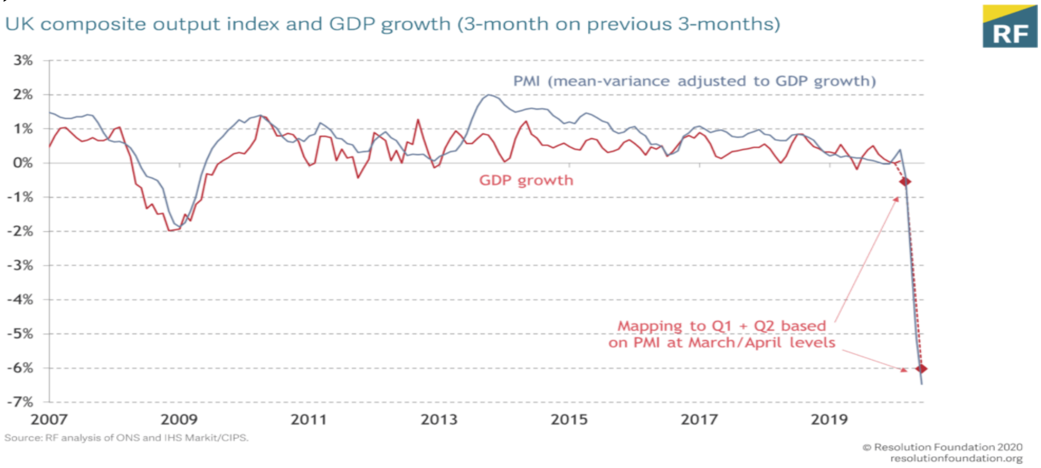

Figure 4: PMI survey expects huge fall in the GDP of UK (Image Source: theguardian.com)

UK is expected to issue government debt worth £180 billion between May and July during this year. The net borrowing of the public sector could reach 14% of GDP in the current year. The GDP could collapse by 13% for the entire month and unemployment could go past 6 million people which accounts for 21%of the workforce, thereby hitting a nadir something more awful than the Great Depression of 1930. The UK shipping is falling and income has spiralled for majority of the households in the UK. The budget deficit is expected to escalate to record high levels something which has not been witnessed since World War II and thus will hit the around 14% of GDP or £273 billion in 2020. The UK economy is heading towards catastrophic levels where the economy could see the worst collapse in 300 years.

Jolted by Novel Coronavirus, Asia becomes the new epicentre of the pandemic

Asia is not only the biggest continent of the world but also the world's most populous continent with majority of the world's population living in countries like China and India. The evergreen continent turned into a silent valley much like a cemetery in the ugly aftermath of the outbreak of the Covid-19 pandemic. Asia finally succumbed to Novel Coronavirus and this resulted in the governments of different countries of Asia to force quarantines and extreme strict lockdown measures in order to curtail the effects of the pandemic and keep its citizens safe and secured. Novel Coronavirus was in fact born in the heartland of Asia, in China. After that it spread rapidly to other parts of the world. Asian counties like China, Japan, Hong Kong, South Korea, India and Middle East countries were predicted to bear a disastrous economic effects due to the outbreak. In this present research paper we have only selected Asian countries of China, Japan and India to conduct an in-depth study. According to a source as on 7th April, 2020, Asian stock markets of mainland China, Hong Kong, Korea and Japan were left rattled but the picture soon changed as astoundingly after exactly 10 days on 17th April, 2020, where the stock market of these Asian nations along with Australia showed a jump.

Figure 5: Asian stock markets of China, Hong Kong, Korea and Japan reeling after Coronavirusoutbreak as per 7th April, 2020 (Image source: Google Finance)

TICKER	COMPANY	NAME	PRICE	CHANGE	%CHANGE
NIKKEI	Nikkei 225 Index	NIKKEI	19897.26	607.06	3.15
HSI	Hang Seng Index	HSI	24380.00	373.55	1.56
ASX 200	S&P/ASX 200	ASX 200	5487.50	0.00	0.00
SHANGHAI	Shanghai	SHANGHAI	2838.49	18.56	0.66
KOSPI	KOSPI Index	KOSPI	1914.53	57.46	3.09
CNBC 100	CNBC 100 ASIA IDX	CNBC 100	7646.65	142.38	1.90

Figure 6: Asian stock market rise again as on 17th April, 2020 (Image source: cnbc.com)

- **Novel Coronavirus halts China's record breaking economic growth streak**

Covid-19 Novel Coronavirus first emerged in Wuhan, Hubei, China in late December, 2019 and spread toother parts of the country and world. The outbreak of the deadly pandemic saw the Chinese economy being completely eviscerated. Truth to be told, China has stood tall amidst some perilous times over the past be it the Tiananmen Square massacre in 1989, the Global Financial Crisis of 2008 or the trade war with USA. Novel Coronavirus just at its very beginning sent trepidations all over the country. According to Chinese experts, the Chinese economy is heading towards its first recession in decades after the debacle of 1976 during which the earthquake of Tangshan as well as death of former Chairman, Mao Zedong derailed China's economic growth sending it into a dire tumult. Just at the very nascent stage of a potential outbreak of the pandemic, China's industrial output collapsed at a record 13.5% which is the highest ever rate for this country and urban unemployment surged at a rate of 6.2% which is also the highest ever rate for this country. Due to outbreak of the pandemic, the whole country especially regions of Wuhan and Beijing resorted to widespread lockdown which hindered the movement of workers resulting in urban unemployment. According to data provided by Reuters, this is the largest contraction record. Besides this, China's retail sales took a massive nosedive at 20.5% on year in the first two months, fixed asset investment plummeted at 24.5% down from 5.4% growth trajectory when the data were previously provided and private sector investment shrank by 26.4%.

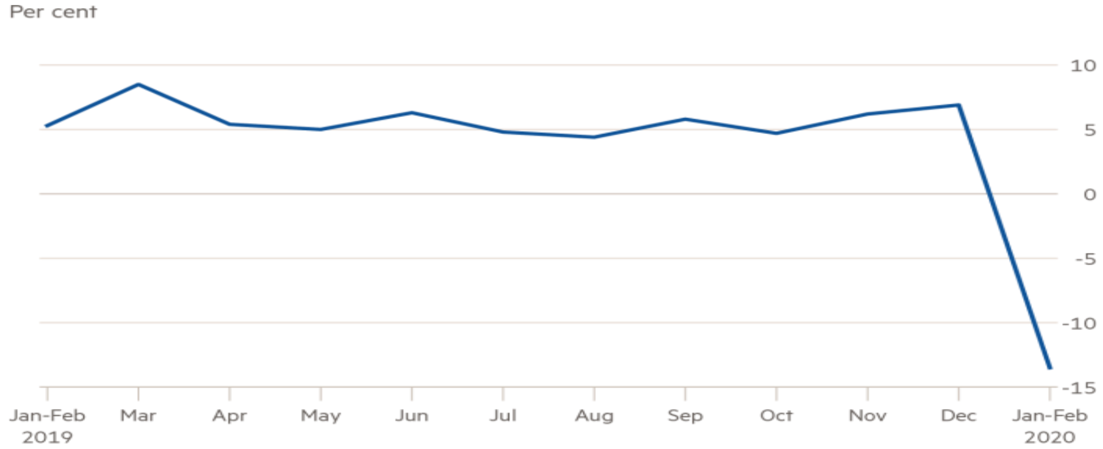

Figure 7: China's industrial production growth hits record lowest level in January'20 andFebruary'20 (Image source: National Bureau of Statistics)

On 16th March, 2020, the government of China injected $14.3 billion into the financial system with the offer of one-year medium-term lending facility loans. The People's Bank of China which is China's Central Bank has also cut the Cash Reserve Ratio by 0.5% - 1% releasing long term funds worth 550 billion Yuan. According to the data provided by Capital Economic, China's GDP collapsed to 13% during the first two months of this year. A global markets strategist named Zhu Chaoping in the Shanghai office of J.P. Morgan, said that China is expecting a negative 2%-3% drop in economy. According to the latest reports on the economy slump of China, it has been reported that the Chinese economy actually shrank by 6.8% in contradiction to the previously predicted 6.5%. According to the National Bureau of Statistics, China's GDP contracted by 9.8% against previously predicted 9.9% and 1.5% growth in the previous quarter (October-December, 2019). The historic record blip in the world's second largest economy was a result of the lockdown measures undertaken by the country to curtail the blood thirsty Coronavirus. China makes up a third of global manufacturing and is the world's largest exporter of goods. Quarantines have affected the supply chains of large companies such as JCB and Nissan. China's top leaders have pledged to widen fiscal deficit, issue special sovereign debt and allow local governments to sell more infrastructure bonds. While China is helping its companies to retain workers and pushing its state banks for increased spending but it has restrained from the announcement and implementation of big financial packages as well as lending directly to the public. The central government has launched a package of policies in order to stabilise international trade and foreign investments. At the beginning of March 2020, the Ministry of Finance arranged a total of 110.48 billion Yuan of special funds for preventing and controlling Coronavirus albeit 71.43 billion Yuan has been utilized. The fiscal authority also increased the

1.85 trillion Yuan of the quota of newly issued local government bonds to save the economy from the evil effects of the ongoing pandemic. China has supported state-owned banking sector to lend $200 billion to businesses especially the small scale businesses. Besides the local governments have also issued $150 billion to contractors for the construction of roads, bridges and highways.

- **Japan left mulling over emerging economic crisis amidst Coronavirus havoc**

Even before the outbreak of Novel Coronavirus in Japan, the country was struggling with plummeting exports and escalating tax at home. To make matters worse, Japan's economic output collapsed by 7.1% in the final quarter of 2019. The Coronavirus pandemic stained Japan's tourism sector wherein the foreign tourists visiting Japan plummeted by 58% recording the lowest figure since the Japan Earthquake of 2011. In addition to this, wide scale cancellation of international as well as domestic flights triggered massive fears in Japan for a projected revenue loss of $2.8 billion between February'20 and April'20. In the middle of February, the first financial package announced for Japan constituted 500 billion Yen ($4.5 billion) at low interest, collateral free emergency loans directed towards medium and small sized businesses in the tourism sector. The second stimulus package announced on 10th March, 2020 was directed towards hospitality and manufacturing sectors. The businesses especially in the hospitality sector now find themselves in a spot of bother as they are struggling to pay their debts having made huge investments counting on the 2020 Olympic Games which now stands postponed. Japan's Prime Minister, Shinzo Abe pledged that Japan would be soon approving the largest ever package in its history which would exceed the 56.8 trillion Yen ($530 billion) spent by the country in 2008 during the Global Financial Crisis. The Japanese government long resisted to bring about any changes in the scheduled Olympics which is built on a staggering $12.6 billion but finally it has been postponed to 23rd July, 2021 which means it would delay Japan a 7.8 trillion Yen resulting in large scale disruption in economy which would otherwise been uplifted by the Olympic games to bolster a stagnating economy since 2019. Alternatively, hosting the Olympics in the absence of spectators could have cost Japan a loss of 4.8 million tickets which would have detrimental to its already slowed down economy. According to Takuji Okobo, a North Asia Director at the Economist Corporate Network "Postponing the Olympics at this point has a relatively marginal negative impact, which is actually coming from COVID-19." While Kathy Matsui, chief Japan strategist at Goldman Sachs told that the predictions regarding the upcoming Olympics suggest only 0.2% boost to GDP. The Economist Intelligence Unit (EIU) has predicted that Japan's private consumption will be tanked by 2% in this year 2020 along with overall GDP decreasing by 1.6%. Further, a full lockdown in Tokyo would collapse the GDP by 5%. In the beginning of April, 2020, the government of Japan has announced some eye-twitching economic measures of cash transfers, tax and social security contribution deferrals and wage subsidies to support households and medium and small sized businesses, which is estimated to be around 3.5% of Japan's GDP in 2020. Goods like heavy machinery and high quality electronics, transportation and chemicals have a significant share in Japan's trade with the rest of the world. The outbreak of Coronavirus resulting in quarantines would mean that theJapan's trade is likely to witness an inexorable downfall. Japan is banking highly on fiscal support to stimulate the economy as Bank of Japan is running low on monetary policy tools. At the present moment there lies vast uncertainty over Japan's economy as Coronavirus has hit the country's output, exports, tourism demands and private consumption extremely badly. The financial markets tensions are to an extent eased out by some aggressive measures taken by the central banks all over the world but the funding of corporates seems to a disaster unfolding. In order to combat this malaise, Bank of Japan has decided to expand its asset purchase program by increasing the purchase of exchange traded funds at an annual pace of 12 trillion Yen ($110 billion) from 6 trillion Yen. The Bank of Japan now looks tenacious in securing liquidity for corporate financing and bringing a much needed stability in the financial markets by introducing new types of market operations and also by increasing the purchase of commercial paper and corporate bonds.

- **Novel Coronavirus brings India into a standstill**

The Indian economy did not even fully recovered from the shocks of the demonetization saga of 2016 and GST rollout of 2017, than Coronavirus pandemic struck India. The outbreak of Covid-19 jerked up India turning it into a silent valley over night with the Indian government enforcing lockdown throughout the whole country to curtail the menacing pandemic. Indian economy has been under the pump for quitesome time with a demand depression, increasing unemployment and downfall of industrial output and profits bringing into jeopardy the growth prospects and socio-economic well-being of the people at large. Truth to be told, India's GDP has been consistently falling since the final quarter of 2018. On 24th March, 2020, the Prime Minister of India, Narendra Modi announced a 21 day lockdown throughout the entire nation thereby restricting the movement of a mammoth 1.3 billion population. The 3 week lockdown is said to have affected at least 55% of the economy thereby succumbing a loss of about 32000 crore ($4.5 billion). A 21 days lockdown was further followed by a 15 days lockdown as a preventive measure to curtail the ongoing Covid-19 pandemic. After the lockdown is lifted sales are expected to increase which will be met by the current inventories however that does not add to the GDP as the production of those goods and services had been produced and taken into account. The aftermath of the lockdowns is likely toresult in disruption of supply chains and financial market which would lead to a decline in production and retrenchment of employees. However, to a complete antithesis, SENSEX and NIFTY posted their biggest gains since 2009, adding an inexorable value of 4.7 lakh crore ($66 billion) to the investor wealth. This astounding achievement was albeit plausibly contradicting.

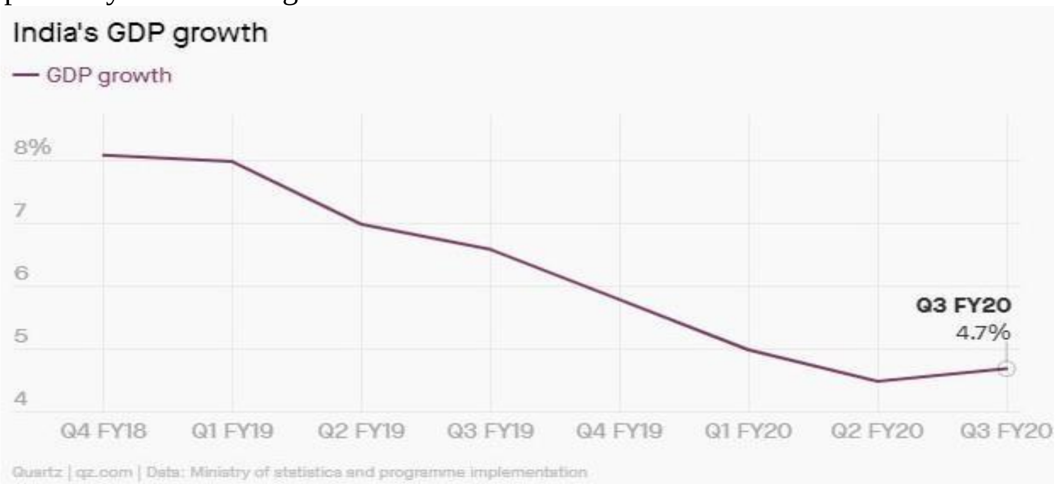

Figure 8: India's GDP growth since 4th quarter of 2018 and future predictions

On 26th March, 2020, Finance Minister, Nirmala Sitharaman announced a whopping $23 billion package to cushion the emerging disruption as well as extension of tax filing deadlines. The package would especially help India's unorganized informal industries which adds 45% of India's overall output. The agricultural sector of India which contributes to $265 billion to GDP which is now vulnerable due to intense lockdown will also get a boost of

Rs.2000 provided to each of the mammoth 8.69 crore farmers through PM-KISAN Scheme. The government has also announced to provide rice, wheat and pulses free of cost to approximately 800 low income families during these 3 months. In addition to these ration, cooking gas cylinders will also be provided to 83 million poor families and a cash transfer worth $13.31 to each of the 30 million senior citizens of India along with $6.65 on monthly basis to each of the 300 million poor women for these entire three months. The eye-twitching financial measures of the Indian government does not end here, as the healthcare workers, doctors, nurses and those affected by Coronavirus will be covered under the medical insurance of $66,000 announced by the government of India. The Reserve Bank of India, which is India's central bank joined the bandwagon announcing a barrage of relief measures to ameliorate the economic difficulties which were creeping in. The RBI came all guns blazing to neutralize the evil effects of Coronavirus by some jaw dropping economic measures like granting permission to banks by giving 3 month moratorium on term loans and EMIs, slashing interest rates at 75% basis points and pushed more liquidity into the financial system by reducing cash reserve ratio of all banks by 100 basis points to 3% of NDTL (net demand and time liabilities). The reduction in CRR would actually release a primary liquidity of 137000 uniformly throughout the banking system. Several rating agencies like Moody's, Crisil, Standard & Poor's, Fitch and CARE Ratings predicted India's GDP to be significantly reduced if the pandemic is brought under complete control within June, 2020. ICRA Ratings on 7th April, 2020, has predicted that India's GDP to face a 4.5% contraction during the last quarter of 2020, which would gradually recover and post a GDP growth of a measly 2% in 2021. The rating agency also expects the domestic demand to slowdown as well as fall in the purchasing power due to job losses. According to the latest predictions, Indian analysts expected India's GDP to suffer by 8.1% or $234.4 billion. India Inc. has asked the Reserve Bank of India for one time loan recast. With null sales and escalating fixed costs, finance heads of India Inc. expects myriad firms from all sectors defaulting on bank loans in the second quarter of 2020. As a consequence, they have asked RBI "for the allowance of one-time restructuring of accounts without downgrading the same to NPAs." The finance heads opined that RBI should defer the interest rates and repayment at least for one year which should be applicable for all companies.

RESEARCH DATA AND METHODOLOGY

For the purpose of collection of data secondary sources has been resorted to. Various authentic reliable databases have been visited for the purpose of collection of facts and figures. E-resources such as INFLIBNET, Economic Outlook, India Stat, The Economist, etc. has provided all the quintessential information that was needed for this present research study. Truth to be told, there has been some ongoingresearch relating to the economic impact of coronavirus but blending these keywords together we find it extremely arduous to come across researches that take into account the economic impact of Novel Coronavirus on at least 10 nations of the world. In this context, the present research study has taken into consideration 10 major nations of the world and conducted a high quality in-depth study. All the data provided has been collected on the basis of latest and correct information provided in authentic resources.

CONCLUSION

Thus we see, how Covid-19 Novel Coronavirus is wreaking havoc all across the world. We have only selected 10 countries of the world for the purpose of doing an in-depth study on the economic impact on those nations due to the menacing pandemic. The prospect of a prolonged global impact of Coronavirus has actually hardened after a clear signal came from the world leaders that the global economy is likely heading towards an inevitable and inimitable recession which can even be much more disastrous than the Great Depression of 1930. The width of a great collapse in the global economy is now starting to show clear signs as manifested in the cowering of consumers, surging unemployment, trade cratering and ruined businesses crumbling to debts and lack of demand. Bloomberg Economics' new global GDP tracker indicates that the global economy is receding rather stunningly. Compared to a previous 0.1% slump global GDP in February, 2020, the reading for March, 2020 suggest GDP contracted by 0.5% and the figures in April, 2020 is measly. Coronavirus is reaching catastrophic levels and its adverse effects taking the world economy to a nadir. However, taking into considerations the unpredictable natures of businesses and global economy, it is still early to make any conclusive remark from the current situation. The previous major global pandemic "Spanish Flu" of 1918-1920 which decimated the world is too old to draw any valid conclusions regarding the aftermath of the ongoing pandemic on global economy. The pandemic is still going on, it is still increasing in many places and almost all the countries of the world are now implementing strict lockdown measures. The International Monetary Fund (IMF) has send a warning all across the world that the global GDP could fall by 3% juxtaposed with 3.3% growth forecast back in January, 2020. We can expect the economy to astoundingly bounce back but it will take an enormous effort to do that rather quickly, which possibly suggest that the global economy is undoubtedly heading towards one of the worst recession which could be more devastating than the Great Depression of 1930.

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