

Impact of the Pandemic on the Economy

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Abstract

This article discusses the impact of the pandemic on the economy.

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During the crisis, the priority tasks of the national economy are the restoration of confidence in the market, the reduction of the non-market sector, primarily the sphere of influence of rent relations, and the development of competition. The effectiveness of the transition of the national economy from energy and raw materials to innovative is determined by the level of trust in the relationship between various social groups, government and business. Measures to reduce production costs, reduce production costs and reduce transaction costs are also recommended to mitigate the impact of the coronavirus pandemic on the competitiveness and economic viability of enterprises.

Measures will be taken to provide soft loans to insolvent enterprises, create conditions for repaying bank loans, stimulate the reduction of energy resources and other raw materials, include local producers in localization programs, and increase domestic demand for their products. Diversify by expanding production with new products and activities, improving the range and quality of products and services, increasing their added value, expanding sales channels and markets, providing employment, self-employment. Measures are being widely implemented. These circumstances will help our country to quickly recover from the consequences of the crisis and move on to a sustainable development path. In this regard, post-crisis development scenarios still cause controversy among scientists.

The economy of Uzbekistan will cover economic losses in 5-6 months with GDP growth at the level of 1.2-1.5 percent this year and 7.0-7.2 percent next year. The world economy and the economies of developed countries (USA, Germany, Turkey, China, Russia) are developing in a U-shape, that is, these economies need more time (a year and a half) to recover and develop.

In our opinion, this year it will take 5-6 months to cover the economic losses caused by the coronavirus pandemic, and this year economic growth will slow down to 1.2-1.4%, and next year, against the backdrop of the crisis, growth rates will be about 7.0 and higher as a result of intervention measures. Given the volatile nature of the situation, it remains difficult to develop relatively accurate forecasts of the current macroeconomic situation.

Due to the coronavirus, Uzbekistan may lose some Chinese tourists. In connection with the epidemic, the Chinese government has banned local tour operators and travel agents from selling tickets abroad.

The State Committee for Tourism Development of Uzbekistan also recommended that local tour operators stop selling tickets to China. The decline in the number of Chinese tourists could hurt the income of hotels, restaurants, cafes, tour guides, airlines, domestic transport companies and artisans.

Extended holidays in China related to the coronavirus could lead to a reduction in Uzbekistan's imports and exports. Because China has been the main trading partner of our country for several years. As a result of the coronavirus pandemic, today there is a significant decline and unemployment in all real sectors of the world economy in industry, agriculture, trade, construction, transport, tourism and other service sectors. They say that humanity has experienced many disasters in its history, there were several different kinds of crises, but this did not happen. The World Health Organization (WHO) and the International Monetary Fund (IMF) say that the deep social and economic consequences of the global pandemic are worsening, which has also had a negative impact on people's lives. The current crisis is assessed from a socio-economic point of view.

These cases also cause a number of problems in our country and exacerbate some of the existing problems. That is why the state pays special attention to quarantine, especially unemployment and food security.

Uzbekistan has developed its own solutions to the common problems of the pandemic. The President and the Government adopted a number of important decrees and resolutions. On this basis, the Anti-Crisis Fund was created under the Ministry of Finance. The deadline for paying taxes to individuals and legal entities employed in the economy has been postponed, and some entities are exempt from paying taxes until the end of this year. A number of benefits have been provided to businesses and enterprises, some debts have been deferred, fines on receivables have been suspended, inspections have been canceled until the end of the year, and a number of other benefits have been provided to reduce losses due to the coronavirus pandemic.

The role of the service sector in the creation of the country's GDP was significant, accounting for almost half of it. Currently, the share of the services sector in GDP is above average 35%, but the share of limited services in this indicator is less than 10%. A drop in services will lead to demand exceeding supply, which will also have a negative impact on the price balance. Continued economic downturns will exacerbate the problem of unemployment, increase its level and lead to a sharp decline in the population's ability to pay.

The Center for Economic Research and Reform, together with the World Bank and the Center for Development Strategy, conducted a study of the impact of the COVID-19 pandemic on the socio-economic life of citizens of the Republic of Uzbekistan. With the spread of the pandemic, global conferences and events focusing on technology, fashion and sports are being canceled or rescheduled. While the impact of money on the travel and trade industry has yet to be assessed, it is likely to be in the billions and growing.

It is necessary to develop and timely implement effective measures to prevent the spread of coronavirus and other dangerous infections and diseases. Also, based on the available resources and capabilities, a friendly economy and the people of China (especially those affected by the coronavirus)

It is also advisable to develop a set of measures to support it.

The implementation of these and other measures will significantly reduce the risks associated with the spread of coronavirus, ensure high rates of economic growth and, as a result, increase budget revenues. These results can be achieved by increasing the effectiveness of the state in managing the economy and a rational approach to integration processes.

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