

THE IMPACT OF COVID-19 ON THE GLOBAL AND KAZAKHSTAN ECONOMIES

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The 2020s, the second decade of the 21st century, began with a grand, high profile start, and COVID-19 has almost become synonymous with the year. At first, the less-noticed virus quietly emerged in a vegetable market called the south China Seafood Market in Wuhan, China. Later, everyone knew that it was a bat that had wreaked havoc on a city. In just a few weeks, the virus has exploded, not just in Wuhan, but all over China, quickly plunging into an unprecedented viral crisis. So far, the outbreak in China has been largely contained, but the rest of the world outside China has seen another wave of outbreaks, and the unprecedented human war against the virus has begun in full swing. It's not surprising that the virus has spread so rapidly around the globe, because the world is flat, the planet we live on, is not only interconnected, but interdependent, and in many ways, integrated, this has led to a lot of economic growth. But it also means that when something goes wrong in one place, trouble spreads farther, faster, deeper and more effortlessly than ever before [1]. The biggest impact of the COVID-19 is on economic development. This article attempts to analyze the ways in which the COVID-19 will affect the world economy and the economy of Kazakhstan in order to stimulate readers' thinking.

So, if we want to know how will COVID-19 affect the world economy, we better analyze from the following aspects.

Firstly, lets see its impact on the foreign exchange market. Because the price of foreign exchange is influenced by many factors in the world, when the coronavirus breaks out in the world, it will react quickly to the international capital market, especially the highly sensitive international foreign exchange market. When international investors maintain a positive attitude towards a country's economy, they buy and hold a large amount of the country's currency, thereby increasing the value of the country's currency, it would sell off its currency in a big way, devaluing it. In the case of China, before the 'Black Swan' COVID-19, the Chinese economy was expected to be developing well, and China-US trade negotiations were initially going well. The US dollar fell against the RMB exchange rate, and the RMB appreciated, this shows that everyone is optimistic about China's economic development and the future. But the outbreak of the COVID-19 incident, in a very short time, also made the exchange rate of the US dollar to the RMB change, it is not difficult to find, although this virus is not a single factor in the exchange rate changes between China and the US, but it's also one of the main factors [2].

Secondly, lets talk about the impact of COVID-19 on international trade. February 17,2020, the WTO said that growth in global trade in goods was likely to remain weak through early 2020. The World Trade Organization's latest merchandise trade index fell to 95.5 from 96.6 in November. New figures from the agency suggest that while year-on-year growth in the fourth quarter may have picked up slightly, a recovery in global commodity trade is unlikely. It now looks likely that global merchandise trade will decline in the first quarter of 2020. The WTO said the figures and conclusions were based on trade data for 2019 and did not take into account developments in the current outbreak of new pneumonia and its global implications, which could further affect trade prospects. With the spread of the virus, so far 189 countries have become infected, each country will take appropriate control measures. If the virus continues to wreak havoc, it will exacerbate the impact of the virus on international trade.

Thirdly, we should also see the impact of COVID-19 on gold prices. The price of gold, like the price of foreign exchange, is affected by many factors, such as the amount of gold mining, the dollar will go up or down in the future, interest rates, crude oil prices, people on the demand for

gold products, each country's monetary policy and so on. Since gold is held without interest, people tend to hold it in times of inflation, war, or unexpected events that have an impact on the future, as in the recent China-American trade war, the US election, the United Kingdom European Union membership referendum, and the coronavirus pneumonia incident, buying and holding gold as a hedge to maintain their purchasing power caused the price of gold to rise. But The economies of various economic powers in the world are rising, each country is prosperous, and is sharing the peaceful time, or many countries implement the loose monetary policy sells the gold, thus affects the gold price to fall. Uncertainty about the future of this coronavirus outbreak will have an impact on the future of gold prices. The price of gold rises sharply as uncertainty increases.

After a brief analysis of the impact of the COVID-19 on the international economy, let's explore what impact this coronavirus has on the economy of Kazakhstan. The real economy's ability to withstand risk is relatively poor. As the COVID-19 has spread across the globe, the state of Kazakhstan's economy, Kazakhstan's major shopping malls, catering companies, tourism companies, airlines, all hotels, real estate sales, rental housing, car sales, furniture manufacturing or decoration, clothing city, and other businesses need popularity, and beauty, hairdressing, massage, health care and other livelihood industries, are temporarily closed. Many large public companies, small self-employed people in this stage of income will be lower than in previous years, and the costs, expenses have not reduced, companies, no matter their size or the size of their business, still need to keep up, pay rent, utilities, wages, storage and other expenses. If the virus is only a short-term event, it will only lead to companies and individuals of cash flow reduction, funding constraints, and so the virus has been controlled, slowly can recover. If the spread of the virus is not stopped, the lack of capital reserves of enterprises or individuals will face the risk of collapse. However, it depends on how long it will take Kazakhstan to fully control the spread of the disease on its own territory.

In either case, many businesses and companies face significant challenges. If we look at a group company or enterprise from the perspective of the microeconomics, the rent of land, the lease of machinery, the wages of workers, etc. in the factor market are constant. Many consumers fear the virus will not go out or less, not shopping, so consumer demand for many products will be reduced, such as house buyers will temporarily shelve plans, cancel out shopping or out to dinner, the demand for products with greater elasticity of demand, such as luxury cars, luxury goods, gifts and so on, will also decrease. After life safety became the most important consideration, other products became less important to consumers, except for necessities such as Seven necessities, face masks and disinfection. The number of production personnel and the cost of the enterprise remain unchanged [3]. As the number of closed days increases, the supply capacity decreases, the number of operating days decreases and the operating income decreases, resulting in reduced profits or losses or even bankruptcy. Producers' expectations of the future are based on uncertainty about how far the virus will be controlled in the future. A decline in the economic level of a business or company can lead to a decrease in the income of its employees. The income level of the vast majority of consumers will lead to a reduction in their personal purchasing power, and they will have to save money and spend it on irreplaceable products such as table salt, which are very important to consumers' lives and have little price elasticity of demand, as a result, money liquidity declines and uncertainty about the future affects the willingness of corporate and individual investors to invest.

After analyzing the impact of coronavirus on the domestic and international economy, we cannot help but have such questions: will the COVID-19 be able to shake up the global industry? Whether the global industry is facing the opportunity to shuffle is also one of the economic impact of the virus event. From the point of view of medical profession, every country will strengthen the construction and management of medical products such as hospitals, pharmaceutical factories and masks, strengthen the supervision of medical and health safety, and attach importance to the handling of unexpected events. From a business point of view, because many people choose to live and work in isolation at home, most of them live and work online, such as students taking online classes at home, which will drive the rapid development of e-commerce, will also lead a

considerable impact the old business model, physical office buildings, physical shops. From the point of view of the network entertainment industry, electronic products such as mobile phones and televisions will be very popular because the increase of leisure time has increased people's demand for network and entertainment, there are opportunities for rapid growth in the entertainment industry, including Games and TV shows [4]. In addition, pneumonia and virus increase people's awe of wild animals, increase people's awareness of virus and protection, and strengthen the demand of intelligent life such as UAV delivery, driverless car, Internet of things.

Although the global COVID-19 is still in a tug of war, and the long term impact of the epidemic needs to be seen more closely, it is certain that, the COVID-19 is sure to have a different impact on the world economy and the Kazakhstan economy, and it will change people's lives. However, it is important to point out that when a new and unknown disaster comes, we can not just panic and do not know what to do. We should try to analyze and predict the economic impact of the disaster from an economic point of view, to minimize the damage. The government needs to take strong and resolute measures to prevent and control the epidemic scientifically and effectively, and maintain close communication and cooperation with the World Health Organization and the international community, so as to effectively curb the spread of the epidemic. Enterprises and social organizations need to have the courage to assume social responsibility and actively cooperate in the regulation and control of medical supplies. Individuals should strive to reduce the burden on society, the most responsible, self-conscious home quarantine, obey the government's arrangements, to control the epidemic to contribute their own strength.

It is hoped that mankind will work together to control the global epidemic as soon as possible, minimize the economic impact of the epidemic, and lead the human race to a stable and safe life..

Literature

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