

# New Pneumonia on Health Economy in Our Country and American

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**Abstract:** The rapid spread of New Coronavirus in early 2020 has had a tremendous impact on the lives of all mankind. The global economy(GE) has experienced a severe recession. Even the Great Depression of 1930s may exceed the current judgement on whether the outbreak of New Coronavirus is true. The pressure on the GE is still continuing. The historical experience of human development shows that the high price paid by mankind in previous crises is precisely the price of "going to a higher level" after the crisis. This paper aims to investigate the impact of new pneumonia on the health economy of our country and American. This article first discusses the influence of New Coronavirus on the world's first and second largest economies and its impact on economic globalization(EG). Then, based on the classical framework of CGE model, a series of simultaneous equations are used to describe the behavior of macroeconomic system. Assuming that the future covid-19 epidemic will be controlled by the end of March 2020 (optimistic scenario), compared with the situation without covid-19 epidemic, the actual annual GDP will be reduced by 0.55%, i.e. H. The loss was 656.787 billion yuan.

## 1. Introduction

The impact of the COVID-19 virus outbreak on the world economy is brewing. To some extent, the agreement reached in the first stage of china-us negotiations and the UK's "Brexit" situation will be temporarily improved at the beginning of 2020, which has become a new risk and challenge for world economic growth [1-2]. Due to the impact of this outbreak, the world economy has had a poor start in 2020, and the possibility of a further slowdown in the annual growth rate is increased. The ultimate impact degree still depends on the scope and end time of the epidemic as well as the effect of emergency measures taken by various countries [3-4]. Plagued by many uncertain and unstable factors, international organizations before the 2020 world economic forecasts already not optimistic, the first stage agreement agreed with the British "take off the" clear situation became new year expectations of economic growth and the power, and COVID - 19 virus outbreak suddenly broke out, and the spreading and continuous fermentation, has made the world economy in 2020 to start the new threat to the new challenge [5-6].

Covid-19 is a major disaster that has never been seen in human society for a century. It is causing a "comprehensive crisis" on a global scale, which is mainly manifested as severe challenges in economic development, social stability, political governance and international order [7]. Under this epidemic, the process of EG since the 1980s has been significantly impacted, and globalization has returned to the trend of "economic sovereignty" and may enter the era of "limited globalization" [8-9]. The United States, Australia and other countries have launched unprecedented monetary easing and fiscal rescue measures, which are conducive to boosting market confidence in the short term, alleviating liquidity difficulties and calming financial market volatility [10].

This paper first discusses the impact of the novel Coronavirus on the world's first and second largest economy and in the train of influence on EG. Then, based on the classic CGE model framework, a series of simultaneous equations are used to describe the behavior of the macroeconomic system. By assuming the future situation of coVID-19 outbreak is under control by the end of March 2020 (an optimistic scenario), compared with the absence of coVID-19 outbreak, the entire annual real GDP will be reduced by 0.55%, or a loss of 656.787 billion yuan.

## **2. The Impact of Novel Coronavirus on Central America**

### **2.1 Novel Coronavirus Impact on Central America**

In the first quarter of 2020, our country's GDP decreased by 6.8% year-on-year, which is the most serious economic recession since the reform and opening up. On the supply side, the primary industry was less affected (- 3.2%), and the secondary industry was most affected by industrial chain failure (- 9.6%, mainly reflected in February). Followed by the secondary industry (- 5.2%), medical and health product, grocery distribution and other fields showed opposite growth.

American economic policy is very flexible. The Fed lowered its key interest rate to close to zero and bought a large number of government and corporate bonds. New federal bailout spending reached \$2.9 billion, and the deficit rose 14%, slightly higher than 100%. GDP fell by 4.8% in the first quarter, slightly lower than that of our country. The New York branch of the Federal Reserve is estimated to have decreased by 31.1%, much more serious than the financial crisis in 2008. Shortly after the great depression in last century, the unemployment rate followed a similar trend, falling from 4% to 14% in one month, more than in 2008.

### **2.2 Post-Epidemic Global Trends**

Two years after the US launched the global and Sino US trade war, COVID-19 once again had a negative impact on EG and could have influence on it a lot. He also pointed out the weaknesses of the system. In the context of sharp economic downturn and supply shortage, these economies are more likely to feel that the risk of importing all Chinese manufactured goods in the past is too high. The pandemic has rekindled the trump administration's efforts to reduce dependence on our country and resume the production of drugs and medical supplies.

## **3. Novel Coronavirus Experimental Design for Impact in Our Country**

### **3.1 Data Acquisition**

The data in this paper are mainly from our country's Input-Output Table (2019) and our country's Statistical Yearbook and Balance of Payments of relevant years. This paper consolidates the 149 sectors in our country's input-output table in 2019 into 13 production sectors. Due to different data sources, the row and column sums of SAM table are not equal, so RAS method is adopted in this paper for balance processing.

### **3.2 Experimental Methods**

Based on the classical CGE model framework, this paper adopts a series of simultaneous equations to describe the interaction between enterprises, residents, government and foreign economic entities in the macroeconomic system. For the closure of the model, the capital factor market, commodity market are cleared through price changes, the international balance of payments adopts the closing rule of endogenous real exchange rate and exogenous foreign savings, the saving-investment equilibrium adopts the jorgensen closing rule of endogenous savings and exogenous investment.

In combination with previous conclusions on the impact of infectious diseases on the economic system, three coVID-19 scenarios were set: optimistic scenario (under control at the end of March), neutral scenario (under control at the end of April), and pessimistic scenario (under control at the end of May).

## **4. Discussion on the Impact Experiment Results of Novel Coronavirus on Our Country**

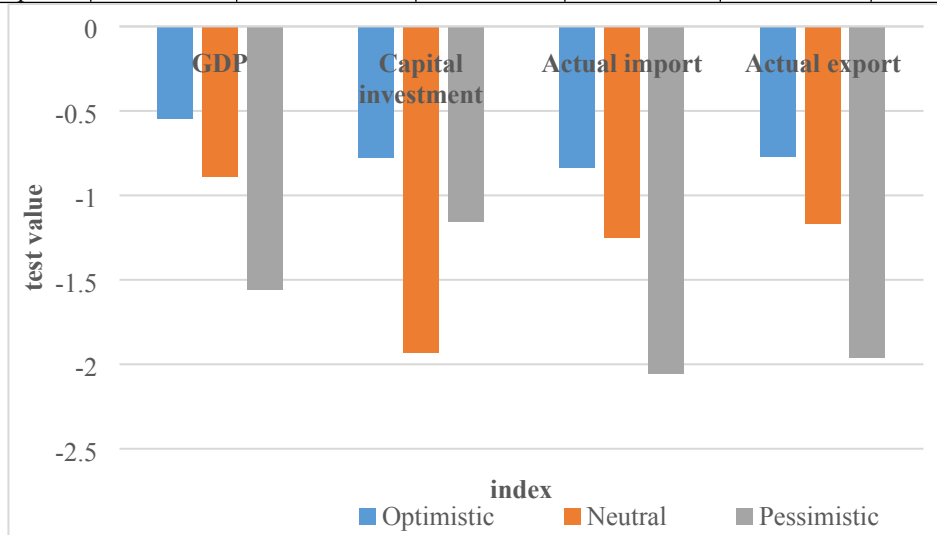
### **4.1 Analysis of Experimental Results**

When coVID-19 is brought under control by the end of March 2020 (optimistic scenario), real GDP for the whole year will be reduced by 0.55%, or 6.56787 billion yuan, compared with no coVID-19 outbreak. This is mainly caused by two factors: on the one hand, the high infectiousness

of novel Coronavirus makes residents avoid the risk of infection, and the consumption behavior that needs to go out is significantly inhibited. The consumption demand of tourism, catering, accommodation, entertainment and other service industries drops sharply. On the other hand, in terms of supply, the loss of working days of the four groups analyzed above causes the gap of labor force, which directly affects the normal production and operation of various industries and causes enterprises to reduce the production scale, and the actual capital investment will drop by 0.78%. In the end, household income will decrease by 0.63 percent, thus suppressing the consumer demand for all products and further exacerbating the negative impact of the epidemic on the macroeconomic system. It should be noted that, although coVID-19 will boost market demand for health services, it will not be enough to offset the loss of output in other sectors, resulting in a small loss of real GDP. The experimental results are shown in Table 1 and Figure 1.

**Table 1.** Experimental results

	Percentage			One hundred million yuan		
	Optimistic	Neutral	Pessimistic	Optimistic	Neutral	Pessimistic
GDP	-0.55	-0.89	-1.56	-6567.87	-10553.12	v
Capital investment	-0.78	-1.93	-1.16	-3563.18	-2394.50	-5899.15
Actual import	-0.84	-1.25	-2.06	-1265.82	-1870.79	-3079.64
Actual export	-0.77	-1.17	-1.96	-1257.93	-1899.12	-3180.71



**Figure 1.** Experimental results

#### 4.2 Our country's Economic Policy Choices after the Epidemic

Our country is the largest developing country around the world. In the process of economic and social development, we should focus on the impact of the epidemic on the region and the national economy. From the national level, it is mainly reflected in the following aspects. First, strengthen the construction of public health system. Second, improve people's livelihood through fiscal policies, increase health investment and improve medical level. Third, establish and improve the social security system to ensure that the people's basic living needs and living conditions are further met. In the first phase of the global pandemic, not only did our country live better, but the four tigers also had the same Chinese culture. Embody our country's unique culture of social unity. Our country can follow suit and promote Asian economic integration on the basis of RCEP. One belt, one road, our country will also support the idea of building a global community.

In the experience of American, the epidemic has deepened social inequality and increased mistrust of existing institutions. The accelerated development of automation and digital technology will exacerbate social differentiation. Society can establish risk sharing mechanisms and social assistance to better protect the poor from shocks, including the impact of climate change. Fiscal, monetary policy and financial regulation should be based on rescue operations. Accelerate the

infrastructure construction of public hospitals, and improve our country's long-term scarce medical resources. China's epidemic control work is constantly strengthening. Among them, the economic policies and measures implemented by the government are of great significance to the reform of medical and health system, the construction of public health service system and social equity and justice. For the political needs of short-term stable growth, we should focus on promoting reform and adjustment and expanding opening to the outside world, abolish the access restrictions on foreign capital and private enterprises, unswervingly maintain the key role of the market in resource allocation, focus on long-term and healthy economic development, simultaneously promote the reform of rural land market, and accelerate the reform of new urbanization.

## 5. Conclusion

The year 2020 is the year of the decisive battle against pollution. It is also the year of the conclusion of the 13th Five-Year Plan. The COVID-19 epidemic has not only had a direct impact on ecological and environmental protection, but also on economic development and social life. Therefore, the ecological environment system should first comprehensive analyze the epidemic prevention and control period and superposition of epidemic prevention and control and return to work and production period of the ecological environment problems of the new situation, actively response to the outbreak of the influence of their own work, focusing on epidemic prevention and control period involving environmental risk prevention and control of plague wastes, epidemic prevention and control and return to work and production period and strengthen the supervision of the ecological environment service major outbreaks in the future the outstanding problems of environmental risk control system construction, according to the precise, scientific, and the principle of pollution treatment in accordance with the law of the pollution treatment, study and establish the necessary measures and means, ensure the task priority, and can also provide the outbreak era to restore economic development under the background of environmental strategy to provide reference take an examination.

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