

Policy Response to Minimize the Fallout of COVID-19 on Trade and MSMEs

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Abstract

It is very clear by now that the Coronavirus outbreak has given an unprecedented and severe setback to the world economy, much more than the global financial crisis. Almost half of the world population is under lockdown and economic activity in major growth centres, namely, the US, EU, USA, China, has nearly stalled. The severe restriction of movement of people, goods and services has disrupted the global value chains, world trade, manufacturing, services, etc. and taken away the livelihoods of millions of people. The unemployment figures projected by the UN and ILO are alarming, much more than what the world had faced during the global financial crisis of 2007-08. In fact, the world economy is heading for a prolonged recession, if there is no proximate, if not exact, cure of COVID-19 available soon.