

A Study on the Future Economic Trends in the World

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Abstracts. The economy can be defined as a set of financial transactions between two or more consumer companies in different countries or regions. Thus, the economic trend can be thought of as an indicator that depicts the financial nature. For instance, economy refers to a specific nation. In most cases, the economic growth of a country relies on factors that affect its growth. Analysis of economic trends is challenging since the macroeconomics outcomes are affected by geopolitical conditions. Economic growth has been at declined since 2016 and has remained unchanged. Economic activities, foreign investment, global trade and global development in terms of the economy strengthened. However, in 2020, the economic trend has been influenced by the variant Covid-19 infection. The main objective of this research paper is to define the future trends of economic growth in terms of decline in commodity price, decline price of energy, economical marketing development and emergence, unpredictable flow of income, and global projections.

Keywords: Economic Trends; Financial Transactions; Economic Growth; Macroeconomics.

1. Introduction

Economies of the whole World have been changing tremendously and remained much stable rather than stumbling for many years. Economists have predicted a much more stable economy after the pandemic in 2023. Covid-19 Variant has affected most sectors in the entire World. The spread of the Covid-19 virus has resulted in the closure of many organizations, schools, and other sectors due to lockdown measures and restrictions of importation and exportation of products (König & Winkler, 2020). However, many nations are at the forefront of reviving their economies. The economy's second quarter is expected to grow at about 11% in 2021. According to researchers and economists, some past quarters have much lower growth than project rates in 2022. There is a total of about 2 trillion dollars to stabilize the economy. For instance, Bank of America depicts that almost seventy percent of credit card expenditures were utilized in government sectors to reopen the economy in most nations. This reflects about a twenty percent increment compared to previous years despite people being in lockdowns to curb the spread of deadly viruses (Wealer et al., 2021). Also, another sign of economic revival is the increment of about nine hundred thousand job opportunities in Chicago. The future of the economy in the World is predicted to be stabilized when the nations work to increase employment opportunities, the flow of income, and the development of infrastructure and technology transfer which is possible through improving education sectors.

2. Economic Developments

There is still some hope in the future of economic development. This is the third year since the nations were hit with Covid-19 disease. The disease has declined most development discouraging investments, which stabilized the economy. However, each nation has created a plausible way of reviving the economy (Wealer et al., 2021). These approaches have maintained the stabilization of the economy despite the surge in cases of the Corona Virus. The development of a vaccine has been one breakthrough in reviving normalcy in most countries. Most countries have gathered enough information and decided to create awareness of the importance of being vaccinated. Most middle-income nations and advanced nations have vaccinated a substantial number of citizens. Gaining access to vaccines has improved most people's immunity and health conditions. This has significantly reduced the Covid-19 cases in the World. As a result, most nations have opened their borders for international trade, benefiting their economy (Wealer et al., 2021). Thus, the global economy is

expected to increase by about 6% in 2021 and decline slightly to four percent at the beginning of 2022 (Meyer & de Jongh, 2018). An estimated decline of about three percent is expected by 2023 due to inflations, higher energy prices, and food prices than in previous years. A fast-rising economy might result in wage-inflations, a rise in prices of services and goods. However, employment opportunities, investments, and outputs are expected to rise in the coming years because of the reopening of most nations in pre-pandemic periods.

3. Global Trade

Future economic trends also depend on Global trade. International trade has recovered through global economic activities. Recoveries have been made possible through swiftness and flexibility in trading services and goods. Recovery of global trades is also possible through the international demands of manufactured products, specifically durable ones. Another possible economic trend in global trades is the rise in industrial products, which are stimulated mainly by significant factors (Meyer & de Jongh, 2018). Although such industries are temporary, they aid in inducing economic recovery. For instance, weather-induced logistics bottlenecks are essential in propagating global supply, resulting in a backlog of shipping prices and traded products. The supply of bottlenecks increased its variety, changing its scope of products from retail to the manufacturer. The shipping price of related products became six times higher in 2019 than in 2021. Economists predict a decline in the global market from 9.5% registered in 2021 to about 6% in 2022. Another possible decline in global trade is estimated to be about 4.7% in 2023. The World has experienced an incidence of globalization reset due to Covid-19 infection (Weiss, 2020). Globalization was faced with reflective changes initiated by developments in technology and emerging economies. As a result of emerging trends in the economy, multinational trades and global business were placed under close inspection since most consumers requested the transparent mode of supply of products. A trend in the economy was noted in 2020 when international exports declined by seven percent in terms of United States dollars. Most companies demanded to change the scope of production making most governments seek control over relevant supplies such as medical equipment and medicine to minimize expected competition from privatized companies (Weiss, 2020). Global trade of products have at least recovered due to the increased demand of imports, reopening of borders, and trade-intensive products

4. Commodity Market of Product

Consequently, the commodity market of products is also facing economic trends in the World. Prices of energy, including oil, surged at the end of 2021, and economists are projecting a further rise in 2022. However, the prices of non-energy products became stabilize in 2021. Stabilization of such products improves the economy, whereas the increase in prices of energy-related products leads to the economy's stumbling. The rise in energy prices has adversely impacted consumer and industrial goods such as fertilizers and metals (Mzoughi et al., 2020). Coal and natural gas prices also rose in 2021. However, the price of coal was later moderated at the end of 2021. At the same time, the prices of natural gas increased unexpectedly in Europe. The adverse weather conditions and global activities affected the demand for natural gas. In some nations, coal and hydroelectric production were affected by increased energy prices. Thus, the prices of electricity and consumer products are expected to rise in Europe, resulting in a decline in economic growth. Economists predict a decline in coal and natural gas prices in 2022.

4.1 Continues rise in Oil-prices

The oil prices also rose to about sixty-nine billion dollars in 2021. This reflects an increase of about sixty-eight percent from the previous year. Oil prices are expected to rise to about 75 billion dollars by the beginning of 2022. Expertise also predicted a possibility of a decline in the oil price to about sixty-five billion dollars in 2023 since its production will be improved (Stern, 2019). The

oil demand has been influenced by the variant Omicron which has moderated its production. Nevertheless, other economic disruptions are also predicted in the future. Such economic problems result from reduced production of oil and an increase in its demand. Experts have suggested that most countries should divert to alternative energy sources such as low-carbon and natural gases.

4.2 Predicted Rise of Metal Price

Metals are essential in the production of industrial products. The rise of metal prices implies that future economic trends may decline. The metals prices stabilized at the end of 2021 because of the increased iron ore and base metal prices. Also, the price of Tin reached a maximum price, and the rise was due to disruptions in supply and increased demands from electronic products. The decision of China to minimize production due to constant shortages in electricity resulted in the rise in prices of Aluminum elements (Stern, 2019). In comparison, prices of Iron ores declined as the Chinese emperor reduced the production of steel to control pollution, whereas prices of copper reduced slightly to slow down Chinese activities. The economy stumbled when agriculture prices rose by about twenty-three percent in 2021. Prices of food in China increased in other countries because of increased prices of fertilizers. The possible cause of increased fertilizer prices is increased prices of energy. The prices of agricultural inputs such as fertilizers are expected to occur in the next two years. Some economists projected that the prices of food would decline by 2022. However, this was not possible because of the Omicron variant, which has affected the economy.

5. Future development of economies

Emerging economies and development try to change from primary sectors to the highest value-blended activities in the international supply markets. For instance, the Gross-Domestic Product of India has been on a significant rise from about 50% during the year 2010 and fifty-five percent in the year 2020. An increase in economy in some countries has been made possible through the development of service sectors such as finance, retailing, hospitality, and education that contributed to a rise in consumer satisfaction, increase in income, and increased expenditure of non-essential services and goods (Petrakis, 2020). The future use of sophisticated technology in e-commerce in China and other developed nations has improved the economy. This has been possible because many people preferred online shopping to physical shopping during the Covid-19 period (Weiss, 2020). For instance, Starbucks Company signed a corporation with Alibaba to increase its market supply in 2020. During this period, Starbucks could supply services to almost two thousands stores in China (Petrakis, 2020). This implies that people will still favor online business during post-pandemic periods. Thus, developing countries should implement the increased utilization of e-commerce for future improvement in their economy.

6. Emerging Markets

Furthermore, poverty, income growth, and per capita income significantly influence future economic development. Emerging market and developing economies (EMDE) per capita are expected to decline to about three percent in the coming years. However, the per capita income for the Chinese government is expected to decline from 3.9% to about 2.5% in 2021 and 2023, respectively. Such future predictions are possible due to the decline in the labor markets, policy support, inflation, and erosion of real economies. The effect of Coronavirus will see the per capita outputs to be below that of 2019 in the next four years. Most nations might find it challenging to regain original per capita outputs even after the end of the pandemic. The effect of the Coronavirus has also hit small island developing nations. Per capita income has affected these small states because of reduced revenues in the tourism and oil-exporting sectors (Mzoughi et al., 2020). Economists suggest that the Corona pandemic is responsible for future decline in most economies. According to research, almost seventy percent of emerging market and developing economies for total per-capita

income will lag between 2021 and 2023. This implies that the per-capita output for many countries will bounce back to the income inequalities experienced in 2010.

6.1 Inequality in Per-capita income

A predicted inequality in the per-capita incomes also will contribute to inequality of the emerging markets and developing economies (EMDEs). Inequality in the emerging economy can result in a high rise in costs of food which reciprocates to poor living standards of citizens. Poor living standards in developing nations are possible due to the effect of the Corona variant on employment sectors, low income, reduced skilled personnel, and accumulation of human capital (Weiss, 2020). Thus, the international recoveries of most economies are predicted to decline as expected when the variant continues to disrupt domestic activities. Similarly, the current emergence of the deadliest Omicron variant worries developing nations since it can lead to worse situations that may further worsen the economy (Goel, 2021). Also, countries in economic recovery are affected by disruptions in the supply chain, financial strains, and climate disasters such as global warming, inflationary pressure, and a decline in skilled personnel. The recoveries in low income experienced in 2021 were initiated and supported through the plausible improvement of international trades and consumer products.

After most nations reopened their economies by doing away with border restrictions, global trade was possible. The revival of the economy in low-income nations was slow compared to those experienced in developed countries. This implies that the emerging markets and developing economies of per capita outputs for advanced nations are higher than those in developing nations (Ikram & D'Adamo, 2021). According to research, low income earning nations are expected to experience an increase in the economic growth of about 5 percent by the end of 2022. Such a rise can result from an annual increase of about 1.5% between 2000 and 2019. The recoveries in low-income nations will only be possible through increased agriculture and mining in such countries. Expensive commodities will also help in economic revival in low-income nations. However, increased poverty rates, spiked levels in food insecurities, fluctuation in prices of consumer products, and trailing vaccination programs might lag the recovery of some developing nations. Increased inflation rates and higher borrowing rates in such countries significantly impacted the recovery process (Mzoughi et al., 2020). Countries like Mali and Ethiopia have recently experienced uncertainty in politics, violence, and wars, which have tampered their economic recovery.

The economic trends and recovery in some low-income countries were affected by increased public debts. According to Euro monitor International, public debts rose quicker amidst the corona pandemic in 2020 than the Global Financial Crisis of 2008 and 2009. Increasing government expenditure is essential during periods of economic decline since it boosts financial usage (Goel, 2021). However, a long-lasting debt rise leads to challenges in emerging markets and developing economies (EMDEs). A spike in debts in low-income nations results in reduced government expenditures and increased cost of financing investment which might help in improving the economy. In return, consumers and investments in nations that provide the debts might be adversely affected during the post-pandemic period.

The economic recoveries of advanced countries are expected to be fast because of financial capabilities and sophisticated technologies. Advanced countries have credible financial conditions, essential in supporting economic recovery. Financial stability ensures the nations are independent of loans and debts from international monetary funds (IMF) and other central banks (Estrada, 2020). However, the Omicron virus emergence in November 2021 resulted in substantial market volatilities. Strong corporate earnings in 2021 resulted in an unexpected rise in commodities prices, affecting the equity of prices. The low cost of borrowing leads to high costs of houses.

Activities of recovery in America grew much softer during the second half of 2021. The economic trend in America was affected by the decline in consumption of private sectors and production in manufacturing industries. Also, some of the revival activities faced many unanticipated problems, such as Corona outbreak and the rise in energy prices (Wang et al., 2019). The expectation of future America's growth is about four percent in 2022 and 2.5% in 2023. This will be made possible only

through excessive savings, monetary policies, and the supply of bottlenecks products. The federal government of America signed a ten-year contract, which amounted to approximately one trillion dollars (Balas & Kaya, 2019). The amount will be utilized in the infrastructure plan approved by law on November 2021. The infrastructure plan aims to improve activities with a vision of improving the state of the economy in the coming years. The growth of euro areas is estimated to be in the 4th quarter of 2021 after a successful rebound during the third and second quarters of 2021. Nonetheless, with a persistent decline in the production of consumer products affecting some economies, the economy's growth is more likely to be revived and remain constant in the future.

6.2 Predicted drop in economic growth

Economists have also predicted that the economic growth will drop from 5.2 to about 4.2% in 2022. The 0.2 % decline results from the emergence of the new Omicron Variant. The economic growth in the World is also expected to decline to about 2.1% in 2023. Despite the drop in economic growth, the output of many countries is expected to return to its normalcy by 2023. The normalcy will only be possible if electricity and natural gas prices are sustained during the third and second quarters of 2022 (Estrada, 2020). Japan was never left behind in economic trends. Activities remained submissive in Japan in 2021 but later picked after massive vaccination at the end of 2021. The increased vaccination rates allowed most people to be free from the tight measures laid to control the spread of Covid -19. The economic growth of about 1.8 percent was registered in Japan in the second quarter of 2021. A projection of an increase in growth is expected to be about three percent in 2022. Like America's economy, a slight decline of about 1.3% is also expected in Japan by 2023.

Wuhan, China, has been the known source of the variant Coronavirus. The variant affected the Chinese economy for the past three years. The Chinese government implemented strategies that might revive its economies in the future. Continue movement restrictions and other regulations in China resulted in a decline in Chinese economic growth in 2019. The pandemic affected sectors such as education, industries, and employment. Despite increased electricity costs and supply disruption, manufacturing activities remained solid, thus improving the Chinese economic growth in 2020 (Ikram & D'Adamo, 2021).

Furthermore, the People's Bank of China has been at the forefront of releasing funds to help the households during the partial lockdown restrictions. Also, the Bank ensures the constant provision of enough requirements to help improve the infrastructure (Estrada, 2020). During the pandemic, the growth registered in China was much higher than in Japan, Mexico, and America. Chinese growth was estimated to be about eight percent in 2021. However, economists have predicted a possible decline to about five percent in 2023. The significant decline will result from an expected rise in consumer goods and a decline in governmental financial support in the coming years.

6.3 Shift in Market Frontier

There is also a predicted shift in the market frontier in the future economic trend. Economies of advanced nations such as China, Russia, America, and Mexico will continue rising despite emerging uncertain issues and high debts. There will be about a seventy-five percent rise in internal gross domestic product between 2021 and 2040. The increase in GDP in most nations will result from emerging markets and developing economies (EMDEs), which will lead to increased purchasing power from fifty-six percent to about seventy percent in 2040 (Balas & Kaya, 2019). The permanent increased economic power will continuously rise to generate solid and stable growth in companies and producers concentrating on unlimited markets. For instance, Asia Pacific has become the best nation with potential customers for diverse businesses. The young demographics and digital nature of Asian markets have attracted more profits for Netflix Company. Africa is also not left behind when it comes to economic trends. According to Euro monitor International, Nigeria will double its middle-class households to about eighteen million between 2021 and 2040. Also, most digital businesses such as Amazon, Netflix, and Alibaba target African countries as their new customers (Estrada, 2020).

This implies that foreign investment will earn revenue for Africa, which, when utilized appropriately, can result in improved economic status.

In addition, South Africa is expected to experience growth of about two percent in 2022. Angola also is expected to experience a growth of three percent in 2022. A rise in oil prices will help support a gradual recovery in the oil production sectors. Non-energy sectors will register reasonable profit due to the massive vaccination of people. However, restricting the spread of corona disease in most African countries resulted in a decline in economic growth (Goel, 2021). Restrictions such as partial lockdown, closure of some borders, and closure of most companies resulted in increased unemployment rates, rise in debts, increase in commodity prices, and a decline in essential infrastructure and tourism service. Policies to revive the economy in many African countries also resulted in increased public debts, inflation, a decline in fiscal revenues, and increased unemployment rates. Some nations increased the prices of consumer products such as food and energy to revive the economy. Countries like Nigeria, Angola, and Ethiopia are constantly experiencing increased inflation rates even after applying to revive their economies (Goel, 2021). The leading cause of such inflation in those African countries is the depreciation in currency values.

7. Conclusion

It is evident from the above context that the entire World was affected by a pandemic that stumbled the global economies. The shifting nature of the economy in this research has been caused by the emergence of invisible and deadliest pandemics. Many nations in the World developed many strategies which might revive improved economic trends in the entire World. One of the most significant breakthroughs in the revival of the economies was vaccines' development, which occurred in less than a year. Low income, middle-income, and advanced income countries ensured a massive vaccination of a plausible number of citizens. Vaccines brought hope in many countries because they could reopen countries for global trade, importation, and foreign investment. Reopening the economy resulted in improved per capita income, gross domestic product, and a decline in inflation in developed countries.

On the other hand, low-income countries were affected by the rise in debts, increased commodities prices, and electricity costs. The context also highlights that the most advanced nations can revive faster than the low-income nations. This is possible since developed countries can afford sophisticated machines for production, and also, the countries hardly depend on credits or loans compared to the low-income nations.

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