

# Pharmaceutical Technology

## **G-20 economies return to pre-pandemic growth – leading macroeconomic influencers**

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Economists believe that some G-20 economies have been recuperating well from the Covid-19 pandemic this year. However, others are still witnessing negative growth and continued contraction of the economy.

### **Christophe Barraud**

Christophe Barraud, an economist, shared an article on G-20 economies witnessing a gross domestic product (GDP) return to pre-pandemic levels in the first quarter of 2021, with China recording the highest annual growth. According to Organisation for Economic Co-operation and Development (OECD) data, the GDP of the G-20 countries grew by 0.8% in the first quarter of this year, compared to the last quarter of 2020.

However, experts state that this growth across G-20 has been disproportionate across nations. The year-on-year growth of the economies rebounded to 3.4% in the first quarter of this year, following a contraction of 0.7% during the pandemic in the previous quarter.

China recorded the highest annual growth of 18.3%, while the UK reported the largest annual drop of -6.1%. Europe struggled to recover during the first quarter because of a third wave of Covid-19 infections, while India, China and Turkey witnessed continued recovery in the first quarter of 2021, at the rate of 2.1%, 0.6%, and 1.7% respectively. Meanwhile, Australia, Brazil, and South Korea also saw growth returning to pre-Covid levels.

The annual growth for other G-20 economies, however, is still below pre-pandemic levels. For instance, annual GDP was sluggish across Canada, Indonesia, Mexico, and South Africa, while it turned negative in Germany, Japan, Saudi Arabia, and the UK.

### **Brian Riedl**

Brian Riedl, senior fellow at the Manhattan Institute, retweeted a discussion on how President Biden's spending spree could raise the national public debt from \$17tn before the pandemic to \$44tn ten years from now. Riedl says Biden's budget is remarkable by any historical standard. The US has already spent \$2tn, with the Biden budget adding \$5tn in spending on top of that over the next ten years. In addition, another \$5tn in the form of new proposals is likely to be introduced by the Biden campaign, bringing the total new spending to \$12tn over ten years.

Riedl states that this is eight times bigger than the cost of the 2017 tax cuts that US claimed it could not afford. Biden is looking at spending trillions in climate change, college aid, and social security, as part of the country's pandemic recovery plan.

Economists believe this wartime-like spending could bring the largest federal debt in US history, with the administration assuming quick growth, no more recessions, no more wars, a drop in defence spending, and low interest rates that could allow it to keep borrowing cheaply under the assumption that the current low interest rates will never rise.

### **David Boaz**

David Boaz, executive vice president of the Cato Institute, an American libertarian think tank, shared an article claiming that half of the pandemic's unemployment benefits the US has been pumping out over the past year have been stolen and may even have left the country by now.

According to estimates, unemployment fraud during the Covid-19 pandemic could have reached to about \$400bn, with a major bulk of the money transferred to overseas crime syndicates based out of Russia, China, and Nigeria, and elsewhere. The rest of the money has been usurped by street gangs domestically, experts stated.

Before the Covid-19 pandemic hit, unemployment claims were rare and for a short period of time, not making it a lucrative target for criminal syndicates. However, experts believe that unemployment fraud is now being offered on the dark web like ransomware, with states not having fraud-detection services in place susceptible to such crimes.