**2022 and what recovery?**

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2022 was looking to be a transformative process for the global economy, with an average 60 per cent vaccination rate, booming across the world. This is a stark contrast to what high hopes were in store for 2022.

The global economy currently makes up 90 trillion dollars in a hundred and ninety-four nations (nominal), out of which the United States is the biggest contributor. It is set to grow 4.9 per cent in 2022, as per a decrease from the previous year, when seen in joint comparison. This would account for a total of 100 trillion dollars.

The federal reserve is set to raise interest rates, at a non-volatile level, to avoid market crashes. In this case, the federal reserve would not reduce rates, and risk a management fault, by creating a block-aid for minimized investments. This would, however, increase the chances for inflation for the next year, by creating a wage-price spiral. This is when wage rates spike and result in higher prices across markets.

The rate forecasted is by the 0.9 per cent cap. This has abetted JP Morgan and Chase to conclude its 2022 forecast. Noting “higher Treasury yields, and less net bond supply,” they offer their optimism to investors for the market. This shares a view with HSBC regarding the United States remining their “principal stock market.”

Higher Bond Supply is a direct result of a government deficit and an inflation fear, directly in correlation to the fears vented by both the reserve and the treasury. Meanwhile, the treasury, on the first day of trading this year, has also resumed with higher yields. Here, they not only combat the issue of volatility but also of market stability after China is set to launch its own bonds, competing financially with a monetary power.

New waves of the Covid-19 pandemic are also set to rock markets like they did last year and the year before that.

Central banks, other than the United States are already raising interest rates, to avoid further inflation. Markets like Brazil have chosen to take early steps, to curb the spread of doubt in investors.

New waves of the Covid-19 pandemic are also set to rock markets like they did last year and the year before that. This is all, a stark contrast to previous years, due to the probability of the disease becoming an endemic rather than a pandemic. An endemic is a continuous form of an epidemic, that is never to see itself end. A form of an epidemic that takes a universally timeless form, similar to the common flu, though.

Now, with a spark in Omicron cases globally, with more than a 30 per cent positivity rate, unemployment causes more fears of a rocky economic turn for economics. According to BLS, jobs growth soared during December, at 199,000. It was still, however not the best “hoped-for” peek, for years-end job growth. Midst this, unemployment fell to 3.9 per cent and is expected to remain around four per cent while combating different variants, contributing to lockdown decisions.

Specifically, in Pakistan, industries have abetted a somewhat successful recovery. Somewhat. YoY, the recovery for bi-annually assessed figures (as per the MoF’s website), has significantly shown the government’s progress in firm-based sustainability. Despite a nine-rupee Dollar exchange rate instability from August to August (20-21), the worker remittances rose to $ 14.2 billion, a 3 billion increase from the previous year. Moreover, the Living Standard Measure (LSM) rose to 7.4 per cent, with multiple programs introduced as non-monetary subsidies, and incentives for firms. One such example was the support package for DISCOs and K-Electric, including a five per cent increase for construction loans through both national, and private banks.

Instability approaches with the Omicron variant also taking its path forward in Pakistan. Every fifth person in all major metropolitan cities in Pakistan is feared to have Covid-19. And whenever transmissibility is on the rise, the government grapples with plans to close down the country’s social and business centres. This in turn prevents businesses from functioning and keeping up to supply chain availabilities, due to an internationally broken chain effect.

So, we can hope for the best, but should really prepare for the absolute worst.

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