



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

Student Name: **Omar Twela Alharbi.**

Students I.D: **2021201693.**

Section

Bachelor

Date

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Course Code

MGM112

Introduction to economics

Instructions:

تحدث عن اهم الأزمات الاقتصادية التي هزت العالم من حيث الأسباب التي أدت إلى حدوثها، ونتائجها.

*بما لا يزيد عن صفحة من خلال فهمك لأحداثها.

*يرفع الاختبار ب صيغة pdf

مع تحيات محبكم إبراهيم رائد عبد الكريم

Ibraheem@esu.edu.sa

للاستفسار من خلال البريد الإلكتروني

Instructor's Name: **Dr. Ibrahim read**

The Asian Crisis 1997

The crisis began in Thailand in 1997 and soon spread to the rest of East Asia and its trading partners.

Speculative capital flows from developed countries to East Asian economies or the group of so-called "Asian Tigers" such as Thailand, Indonesia, Malaysia, Singapore, Hong Kong and South Korea have given rise to optimism, leading to over-credit and debt accumulation in their economies.

In July 1997, the Thai government was forced to abandon its fixed currency exchange rate against the US dollar, which it had maintained for a long time, due to a lack of foreign exchange sources.

This has led to a wave of panic among Asian financial markets, which has rapidly affected billions of dollars in foreign investment.

As market panic swelled and investors became increasingly concerned about the potential bankruptcies of East Asian governments, fears of financial collapse around the world began to spread, and it took years to recover.

Economic crisis 2007 - 2008

The economic crisis of 2007 led to a major recession, the most severe since the 1929 recession, and the 2007 recession devastated financial markets around the world.

The crisis was triggered by the collapse of the then "real estate bubble" in the United States, which led to the collapse of Lehman Brothers investment bank in September 2008, and many of the world's financial institutions were on the verge of collapse.

Ending the crisis requires unprecedented government bailouts, and it took nearly 10 years to recover, after the world lost millions of jobs and billions of dollars.

COVID-19 Crisis;

The emergence of the new Corona virus (Coved-19) in late December 2019 in China, moving to more than 115 countries around the world and its current arrival at more than 115,000 infections, including more than 4,000 deaths, has triggered a global panic and a serious economic crisis that continues to this day, with Black Monday collapsing world stock exchanges to their lowest levels since the end of 2008, and a state of continuing global economic turmoil.

The crisis erupted at the end of January, after China decided to quarantine the city of Wuhan, where the disease appeared, and hundreds of factories were closed after the Chinese New Year holiday, and the first sectors affected by the spread of the virus, tourism and transportation, coincided with the denial of entry of citizens from China and the countries where the disease appeared.

At the end of January, the consequences of the crisis developed economically as global financial markets from Shanghai to Wall Street witnessed a decline in the prices of raw materials imported by China in large quantities, oil prices fell between mid-January and early February by about 20% in stock exchanges, and the last week of February saw a collapse in global stock exchanges and the decline of indicators in Europe and the United States by more than 12%, which the world has not seen since the crisis of 2008-2009 when the global economy entered a period of contraction, and this was only the beginning of an escalating crisis.

As a result of the expected deflationary risks, there are global moves to protect the economy from the consequences of the virus, the US Federal Reserve announced on March 3th a reduction in its key interest rates, China injected liquidity into its economy, while Italy, Germany and France sought to support their companies, and moves are still in place to save the global economy from the repercussions of the crisis.

This crisis has revealed that any problem at a Chinese factory could disrupt the supply chain for a whole range of companies in the world, with manufacturers around the world from South Korea to the United States passing through Germany, Japan, Italy and France, having difficulties in supplying parts and components normally produced by Chinese partners. The world is still living the repercussions of this worsening crisis, and we can only say, if you want to understand the present, study the past.