

## **Discussion on the Nature and Causes of the Impact of COVID-19 Epidemic Situation on China's Economy**

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**Keywords:** Economy; Individual Business; Private Economy; Self-Employment

**Abstract:** In recent years, the private economy has developed rapidly and has become an important force to promote the economic development of the capital. Under the influence of the sudden epidemic in 2019, economic development has also ushered in a new outlet. Therefore, how to further promote the development of private economy, and how we should seize the opportunity to develop ourselves are important issues before us. By analyzing the situation of China's economic development in recent years and the current situation of China's economic development under the influence of the epidemic, this paper finds out the nature and causes of the impact of COVID-19 epidemic situation on China's economy. And it helps operators to further understand the achievements and existing problems of economic development in recent years under the economic environment, and provides help for the transformation of individual businesses and small and micro enterprises. At the same time, this paper provides corresponding countermeasures for people who choose self-employment by predicting the future development trend of the economy.

### **1 The impact of COVID-19 epidemic situation on China's economic development**

The epidemic situation of COVID-19 has spread in Hubei and even China, which has had a serious impact on China's inbound and outbound tourism, domestic tourism, hotels, catering, entertainment, services and so on. It is an indisputable fact that COVID-19 epidemic situation has had a serious impact on China's tourism industry. The impact of COVID-19 epidemic situation on tourism is mainly reflected in four aspects. First, the decline in the number of tourists; second, the decline in tourism per capita expenditure and total expenditure; third, the impact of the decline in total tourism expenditure; fourth, the growth that should have been achieved but was not. According to the data survey, it is predicted that the economic losses of domestic tourism and service industries will be as much as 140 billion yuan in 2020. The survey shows that the tourism industry is the most affected, and that the impact is the worst and has the largest coverage since SARS. Under the influence of the epidemic, the tourism industry has experienced three vital stages: the omen period, the weak period and the dormant period. In January, February and March 2020, the national tourism industry has been basically stagnant, and the hotel industry and travel agency industry have been in a state of closure or semi-closure. Some catering and hotel industries can reduce some of their losses through services during the epidemic.

In December 2019, the revenue of the hotel and catering industry across the country was estimated to exceed 500 million yuan. Generally speaking, before and after the Spring Festival, there is a high occupancy rate of hotels and a large number of tourists. However, affected by the epidemic this year, chain catering enterprises or large and small hotels in all provinces across the country are generally closed. Even if the epidemic alleviates in the future, people will be less likely to eat out in the short term. The catering industry may not fully recover until the full end of the epidemic. Even based on the 50 percent loss, the loss of the hotel service industry during the four-month period was about 723.7 billion yuan under the influence of the epidemic. Taking into account the relatively small number of trips in the following year, coupled with the financial pressure on enterprises during the four-month period, the economic loss of the hotel service

industry for the whole year will reach 3 trillion yuan.

## **2 The reasons for the impact of COVID-19 epidemic situation on China's economy**

### **2.1 Lack of crisis management**

Recently, COVID-19 has swept the land of China. Many Chinese companies have been affected by the disaster, and the hotel industry is one of the industries most affected. This is also a wake-up call for many members of the community. At any time, every enterprise should be prepared to take precautions, so that it will not be at a loss in the face of disasters. Therefore, every enterprise should improve its anti-risk ability, so that it can develop for a long time and gain a better foothold in the society. In daily life, enterprises should be good at dealing with information, capture small details and have better adaptability. Applying this to hotel management can reduce the loss of enterprises.

### **2.2 Lack of prediction and grasp of changes in consumer demand**

The impact of COVID-19 epidemic on China's economy shows that enterprises lack of prediction and grasp of the changes in consumer demand, which leads people to think deeply about their own way of life. Since then, people will put their physical health first, so consumers' psychology has gradually changed. When they buy things, they become more rational and no longer blindly follow others. As for the grasp of consumer demand, enterprises will pay more attention to health-related consumer products. For example, fitness centers can regularly hold free nutrition lectures.

## **3 The development trend of China's economy after the end of COVID-19 epidemic**

### **3.1 The conditions brought about by the present era for economic development**

Today's era is an era of the fiercest competition. But it is also the best era for many people, the best era for the rise of individuals, and the best era to promote economic development.

#### **3.1.1 Provision of equipment foundation**

The development of the Internet provides great convenience for the transmission of information and the sales and promotion of related products, and solves the problem that we can only rely on manpower or other offline channels to promote in the past. In the past, operators had to have strong channels or even marketing teams, but now they only need one or two intelligent people, a network cable, a computer and a mobile phone. Equipment-based support allows beginners to easily enter the threshold, achieve their own value, improve their own living standards and quality, and help society share the pressure, and it also contributes to the country's economic development.

#### **3.1.2 The change of consumer demand**

In the past, consumers were more on the pursuit of cheapness, so at that time, operators relied on capital+ mode to operate well. Now consumers pursue high performance-to-price ratio. What is high performance-to-price ratio? It means the product is both affordable and of high quality, and that the added value of the product is high. For example, when customers buy a bottle of facial cleanser or skin care product, they can also get the opportunity to do facial care and get private instructions on skin care. Therefore, now operators will pay more attention to products + content.

#### **3.1.3 The number of we media network platforms is huge, providing opportunities for operators**

The rise of numerous Internet platforms has created opportunities for individuals to show their talents, which is more conducive to promoting economic development.

For example, Taobao stores could only get customers through Taobao users in the past, and it was difficult to stabilize customers. Today, the emergence of Douyin, Kuaishou and other we media sharing platforms strengthens the relationship between customers and service providers, and at the

same time allows many employees to get good profits when they are out of the original company structure. In the era of the Internet, more and more people can be independent of the enterprise, make use of their own strengths and advantages to give play to their own value, and obtain the corresponding value transformation in the market.

#### **3.1.4 With the vigorous promotion of national policy, the economic environment is becoming clearer and clearer**

In recent years, the state is very determined to support economic development in policy, actively promoting individual development and entrepreneurship in the market. The slogan of "Widespread Entrepreneurship and Innovation" put forward by Premier Li Keqiang is essentially to encourage individuals to participate in the construction of the whole economy and give full play to their advantages. It also makes people realize that ordinary people can also start businesses.

### **3.2 Find opportunities from the relationship between college students' self-employment and the economy**

#### **3.2.1 College students' self-employment policy promotes economic development**

In order to encourage college students to start their own businesses, China has successively issued various support and preferential policies from 2003 to 2009, and has revised and implemented the policies many times in recent years. From a series of preferential policies issued by our country for college students' self-employment, it is found that although the policies are all supportive, they are also different. For example, the focus of policies has shifted from college students who start their own businesses in high-tech fields to those who start their own businesses in ordinary industries. At the same time, many regulations and measures have been introduced that are closer to the actual situation of college students' self-employment. In addition, governments at all levels have devoted more attention to college graduates.

#### **3.2.2 The economy provides a better platform for college students to start their own businesses**

Because of the annual expansion of university enrollment, the number of university graduates increase year by year. The increase of the number of university graduates is bound to increase the employment pressure of society. And in the process of rapid development of the market economy, the number of laid-off workers and the surplus rural labor force have also continuously increased, which has become a prominent contradiction in employment. Under such circumstances, after many university graduates leave the campus each year, they are faced with severe employment situation and fierce competition, and are likely to be unemployed upon graduation. And self-employment provides a solution to the "difficult employment" of college students. Thus in recent years, self-employment of college students has become a hot topic. Most graduates usually have tiny funds and small earnings when they start their own businesses, just like asset-light entrepreneurship, so they are more suitable for business in the economic field. Of course, with the continuous expansion of the scale, it is possible to enter the private economy and become a private company. As a result, the economic field has become a world for college students to start their own businesses.

### **3.3 Sunrise Industry-- taking Health Industry as an example**

In recent years, economic growth is mainly concentrated in catering, clothing, transportation, construction and other traditional industries and tertiary industries, so the saturation of these industries is increasing, resulting in more and more fierce market competition. It will no longer be easy to achieve success in these industries, so it is particularly important for early-stage entrepreneurs to choose a good direction.

In the current environment, the author believes that the health industry will be an important growth point of China's economy in the future, and will also be an important part of economic development. Why?

#### **3.3.1 Background**

After the founding of New China, especially since the economic reform and opening up, China's

health industry has made considerable progress, and the main health indicators of residents are generally better than the average level of middle and high income countries. With the acceleration of industrialization, urbanization and aging population, the production and life style and disease spectrum of Chinese residents are constantly changing. Deaths caused by chronic non-communicable diseases such as cardiovascular and cerebrovascular diseases, cancer, chronic respiratory diseases, diabetes and so on account for 88% of the total deaths, and the disease burden accounts for more than 70% of the total disease burden. The awareness rate of health knowledge of residents is low, and unhealthy lifestyles such as smoking, excessive drinking, lack of exercise and unreasonable diet are more common. And the resulting health problems have become increasingly prominent. Therefore, it is an inevitable trend to vigorously promote health knowledge through the network platform in the future. From now on, knowledge-based talents and health experts are becoming more and more popular, which is more obvious under the influence of the epidemic.

### **3.3.2 National level**

The state has issued "Healthy China 2030" Planning Outline. President Xi Jinping delivered an important speech at the National Health and Wellness Conference in August 2016 and pointed out that people often compare health to 1, career, family, fame and wealth to 0, and it can be found that the quality of life depends on 1. Xi Jinping proposed at the meeting that "we should give priority to the people's health in the strategic position of development", comply with the people's concerns, make comprehensive arrangements for the construction of a "healthy China", "effectively solve outstanding environmental problems affecting people's health", "promote national fitness and deep integration of national health", "strengthen food safety supervision", "strive to reduce the threat of public safety incidents to people's life and health", "provide continuous health management services and medical services for the elderly" and other requirements. These requirements make it clear that the departments of environmental protection, sports, food safety, public safety, civil affairs and so on must have a responsibility to defend the land, which is also in line with the new theme of "turn taking treatment as the center to taking the people's health as the center". The national leader's speech also reflects the rigid demand for health professionals in the future, so we can foresee the future of the health industry.

### **3.3.3 Personal level**

Through the questionnaire on the health care status of the people around, it is concluded that most people have a demand for the health industry. Whether men or women, the vast majority of people now realize the importance of health. However, they just know that health is important but have no reasonable ways to ensure health. Not everyone can really realize the idea that prevention is greater than cure. And a few years ago, health care products scams, pyramid schemes, brainwashing, etc., still have a negative impact on people. As the saying goes, "once bitten by a snake, you will be afraid of a well rope for ten years." It can be seen that there are not many health products or health concepts that are really well managed and trusted by people. Of course, precisely because there are not so many health products or health concepts, the author believes that health industry operators have more opportunities. In addition, whether marketers can provide effective services is also a key factor, and this will also be a problem that health managers and entrepreneurs must face. The concept of "being a man first if you want to do something" is also what many operators should have.

## **Conclusion**

Based on this, the author takes the discussion of the nature and causes of the impact of COVID-19 epidemic on China's economy as the topic, and analyzes the impact on various industries, especially hotels, tourism and other service industries after the outbreak of COVID-19. For this reason, this paper puts forward some relevant suggestions. The author believes that the COVID-19 epidemic will eventually pass, and that the pent-up demand is about to be released, so how to meet the most exciting part of economic development after COVID-19 epidemic is crucial.

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