

Introduction to the committee:

The UN General Assembly (UNGA) is one of the most important committees and the main policy-making organ of the Organization. Comprising all Member States, in here we discuss and search for solutions of the most challenging worldwide problems, covered by the Charter of the United Nations. Each of the 193 Member States of the United Nations has an equal vote.

In this committee we search for delegates who are leaders and examples to all other delegates and committees, whose ideas help to give outstanding solutions and inspire other delegates to participate and raise their voice in order to let their opinion be known and of course defend it.¹

Minimizing Economic Shock After a Global Crisis

As coronavirus-weary countries enter the third year of the pandemic, global growth is expected to slow sharply. Against this difficult backdrop, a variety of economic challenges mount for emerging market and developing economies (EMDEs)—including continued COVID-19 outbreaks, elevated inflation, record debt levels, and rising income inequality.

The latest Global Economic Prospects report predicts that global growth will decelerate from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world. The rapid spread of the Omicron variant, moreover, indicates that the pandemic will continue to disrupt economic activity in the near term. Among EMDEs, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023.

The outlook poses particular dangers for EMDEs. First, the notable deceleration in major economies—including the United States and China—will reduce external demand for goods and services for many EMDEs. Moreover, the slowdown is occurring just when governments in many of these economies are running out of policy space to respond, if necessary, to the emerging challenges: new COVID-19 outbreaks, persistent supply-chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swaths of the world. The combination of these threats could increase the risk of a hard landing in these economies.

¹ (United Nations, s.f.)

“Advanced economies and emerging market and developing economies are on two different flight paths,” said Ayhan Kose, Director of the Prospects Group at the World Bank. “While slowing, advanced economies are still flying high, and their combined output is expected to go back to the pre-pandemic trend by 2023. Emerging and developing economies, however, are flying low—and they do not have much gas left to use in terms of policy space if they encounter headwinds. That is why we are worried about a hard landing.”²

The COVID-19 pandemic has aggravated trade in dangerous fake goods. This is particularly the case for counterfeit medicines and medical equipment where broken supply chains and strong demand was met with limited capacities of law enforcement to intercept. Instances of counterfeit COVID-19 vaccines have also been recently reported, posing a serious threat to the vaccination programs.

As well as being damaging for economic growth and fueling organized crime, counterfeits also create health, safety, and environmental risks to consumers. Legitimate suppliers must comply with regulations to make sure their products are safe, but counterfeiters are not bound by these. Counterfeit menstrual care products, for example, may be exposed to bacterial contamination, while counterfeit cigarettes may contain banned toxic ingredients.

The United States and the European Union countries were the main destination economies of counterfeit dangerous goods during 2017-19. Over a third of global seizures of dangerous goods were destined to the United States, followed by Germany (21%), Belgium (9%), Italy (6%) and Denmark (3%). China and Hong Kong were the origin of more than three-quarters of counterfeit products seized.

Governments must have a broad view of this problem in order to facilitate the development of innovative policy options and promote clean trade in the COVID-19 recovery.³

Inflation has plunged countries into prolonged periods of instability. Central bankers often aspire to be known as “inflation hawks.” Politicians have won elections with promises to combat inflation, only to lose power after failing to do so. Inflation was

² (World Bank Organization, 2022)

³ (OECD, 2022)

even declared Public Enemy No. 1 in the United States—by President Gerald Ford in 1974. What, then, is inflation, and why is it so important?

Inflation is the rate of increase in prices over a given period of time. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country. But it can also be more narrowly calculated—for certain goods, such as food, or for services, such as a haircut, for example. Whatever the context, inflation represents how much more expensive the relevant set of goods and/or services has become over a certain period, most commonly a year.

Measuring inflation

Consumers' cost of living depends on the prices of many goods and services and the share of each in the household budget. To measure the average consumer's cost of living, government agencies conduct household surveys to identify a basket of commonly purchased items and track over time the cost of purchasing this basket. (Housing expenses, including rent and mortgages, constitute the largest component of the consumer basket in the United States.) The cost of this basket at a given time expressed relative to a base year is the consumer price index (CPI), and the percentage change in the CPI over a certain period is consumer price inflation, the most widely used measure of inflation. (For example, if the base year CPI is one hundred and the current CPI is 110, inflation is 10 percent over the period.)

Core consumer inflation focuses on the underlying and persistent trends in inflation by excluding prices set by the government and the more volatile prices of products, such as food and energy, most affected by seasonal factors or temporary supply conditions. Policymakers also closely watch core inflation. Calculation of an overall inflation rate—for a country, say, and not just for consumers—requires an index with broader coverage, such as the GDP deflator.

The CPI basket is mostly kept constant over time for consistency but is tweaked occasionally to reflect changing consumption patterns—for example, to include new hi-tech goods and to replace items no longer widely purchased. Because it shows how, on average, prices change over time for everything produced in an economy, the contents of the GDP deflator vary each year and are more current than the mostly fixed CPI basket. On the other hand, the deflator includes non-consumer items (such as military spending) and is therefore not a good measure of the cost of living.⁴

⁴ (Oner, 2009)

Questions to focus on:

- ¿How do we help the most affected countries to build up their economy?
- ¿What sustainable plan can your delegation come up with so that when another situation strikes, it won't affect as much as this one?
- ¿Can you apply this plan to the whole world?
- ¿How can this committee help small businesses that were affected by the situation, to rise up again?

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