

How ginormous one-time shopping chuckles with the economy?

Case study : Morocco in the Covid-189 pandamic.

1. Abstract

In our free economy, At least not in the case of pure and perfect concurrency, The market only plays with the rules of the supply and demand, Those constraints are what defines the price for which a good or a service is sold, Though those rules can create some either interesting or reasonable situations especially in times of crises, In this writeup we will study how can a massive wave of unexpected demand play with those rules from an economical and social perspective.

2. Main

According to the sources, The first case of covid in moroccan was declared in the 2nd of Match 2020, All of the prevention and protection measures had started off the date.

Since then there was extreme coverage of this pandamic by local and international news sources, Reporting numbers of cases, deaths and other metics on a daily basis, This daily reporting of statistics has made households across the entire country very aware of the subject and they started making decisions based on the newly found awareness

The first thing households did is demand by prediction, They have predicted that some first-necessity will get rare as the virus continues to spread, Which was somewhat a right prediction.

Production of olives in Morocco from 2010 to 2021

(in 1,000 metric tons)

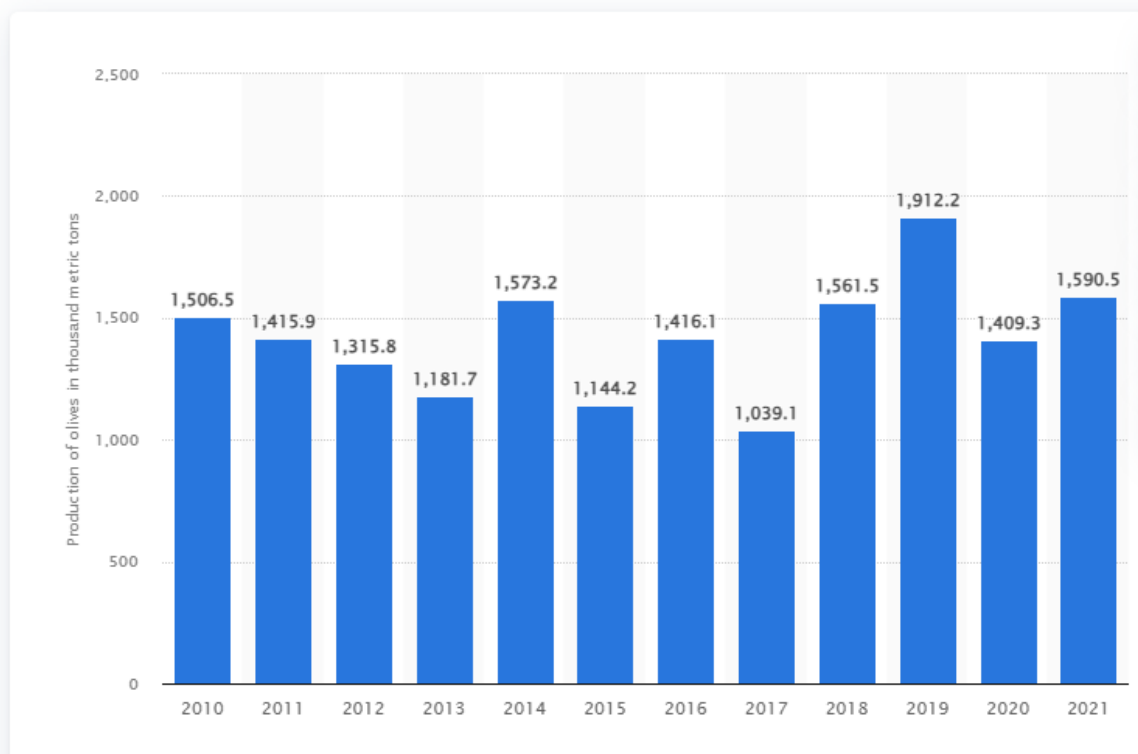


Figure 1 : Olive production in morocco, by statista.

As shown in figure 1, Olive production in morocco has drastically decreased between 2019 and 2020 but looking at the whole graph, We cannot attach this with the presence of covid 19 as it looks like the production has been experiencing fluctuations across the whole 10 years (2010 - 2020).

In fact, Multiple sources do signal that the climatic condition in morocco in 2020 hasn't been the best as the year has been recorded as the hottest year in morocco after 2017, Which could be the actual reason behind the decrease in crop production.

This act of prediction mixed with the agricultural production's decrease has caused the local production to struggle to satisfy the need, so the country relied on imports

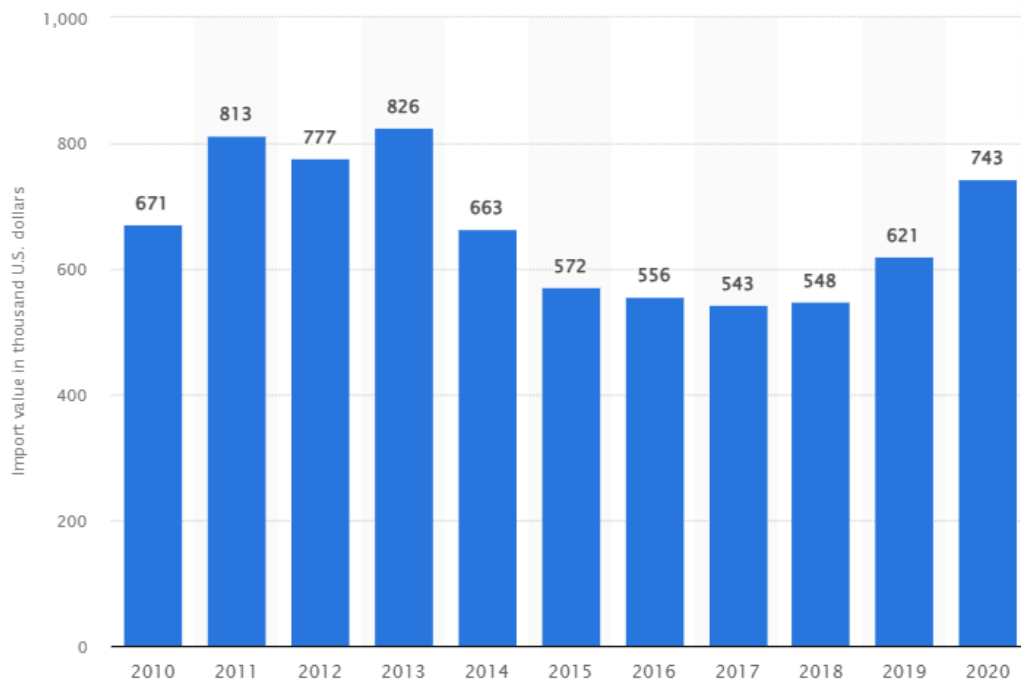


Figure 2 : Flour imports in morocco, By Statista.

As shown in the figure, The importation of agricultral goods (flour in this case) has increased between 2019 and 2020, This could be taken as a natural response to the local demand.

In one way or the other, This was one of the major causes of **inflation in morocco** as this is the reason why the prices of most goods and services have drastically increased.

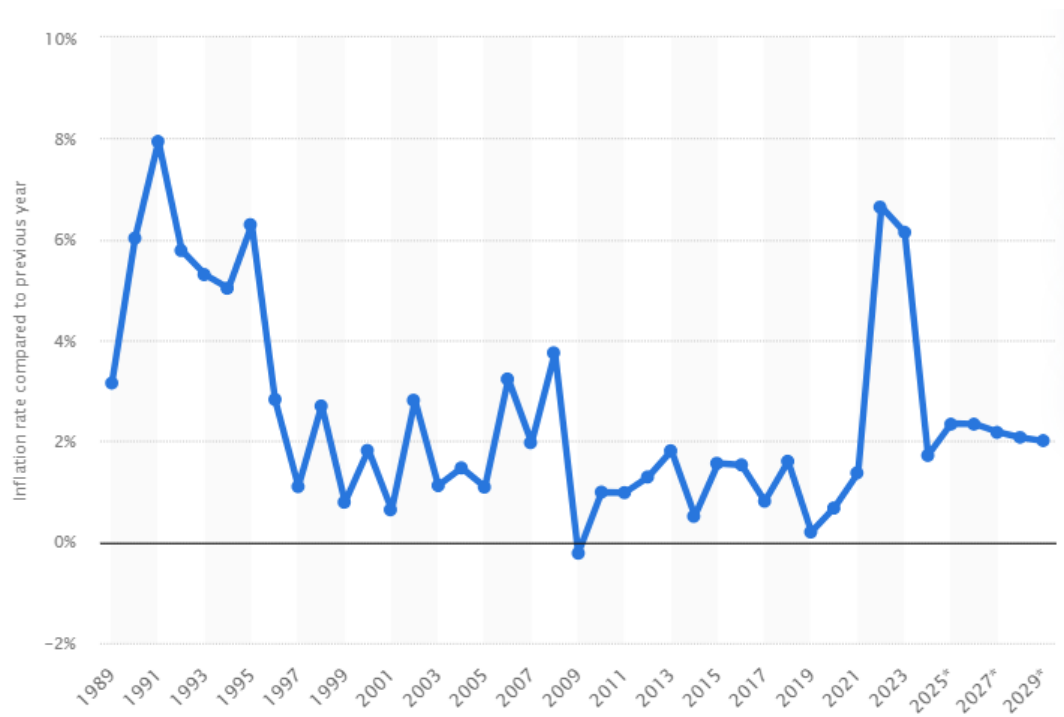


Figure 3 : Inflation rate in morocco, By statista.

The inflation rate in morocco has severely increased between 2019 and 2021, As shown by the figure.