



UEC Newsletter

Undergraduate Economics Council | Volume 1, Issue 1 | Oct. 1 - Oct. 31, 2020

1.2 tn

NEEDED IN AFRICA
TO RECOVER
LOSSES DUE TO
CORONAVIRUS

**Europe's Economy Risks New
Contraction From Virus Curbs**

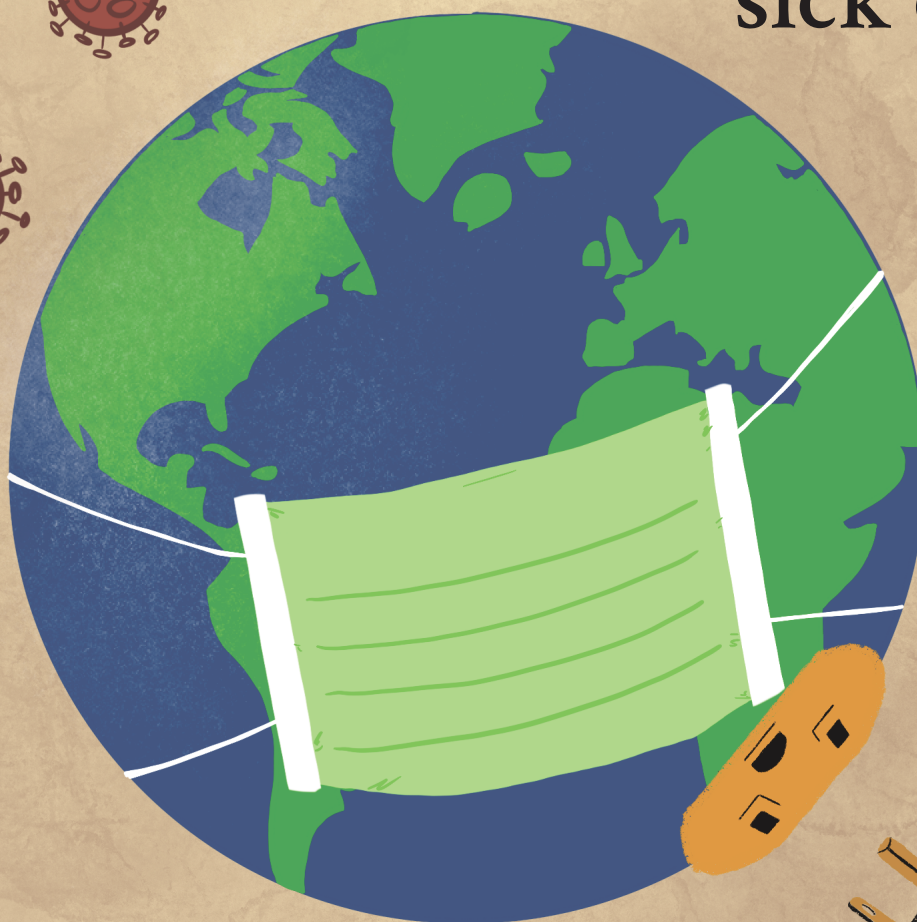
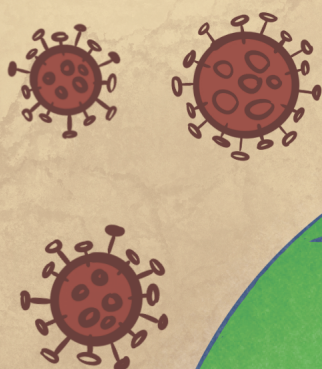
06

**Fed plans new round of bank stress
tests in response to COVID-19**

11

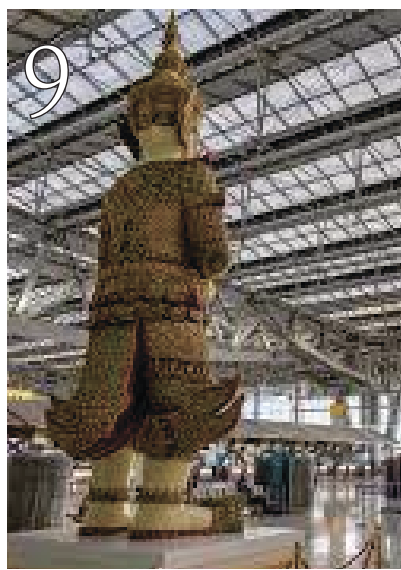
Upper-year advice column

15



Restarting the sick economy







A NOTE FROM OUR NEW DEPARTMENT CHAIR: Margarida Duarte

Welcome to the Department of Economics at the University of Toronto Mississauga. Economics is one of the most popular disciplines among students at UTM. Nearly 50 per cent of all incoming students at UTM take at least one course in economics during their undergraduate studies.

The Department of Economics offers a wide variety of programs to undergraduate students, ranging from the Economics Minor, Major and Specialist Programs to various joint Programs, including the very popular Specialist Program in Commerce and Finance, offered jointly with the Management Department.

Visit our website for up-to-date information, and be sure to check our News & Events page frequently. Do not hesitate to consult any of our departmental officers if you require any further assistance.

Margarida Duarte
Chair, Department of Economics

CONTENTS

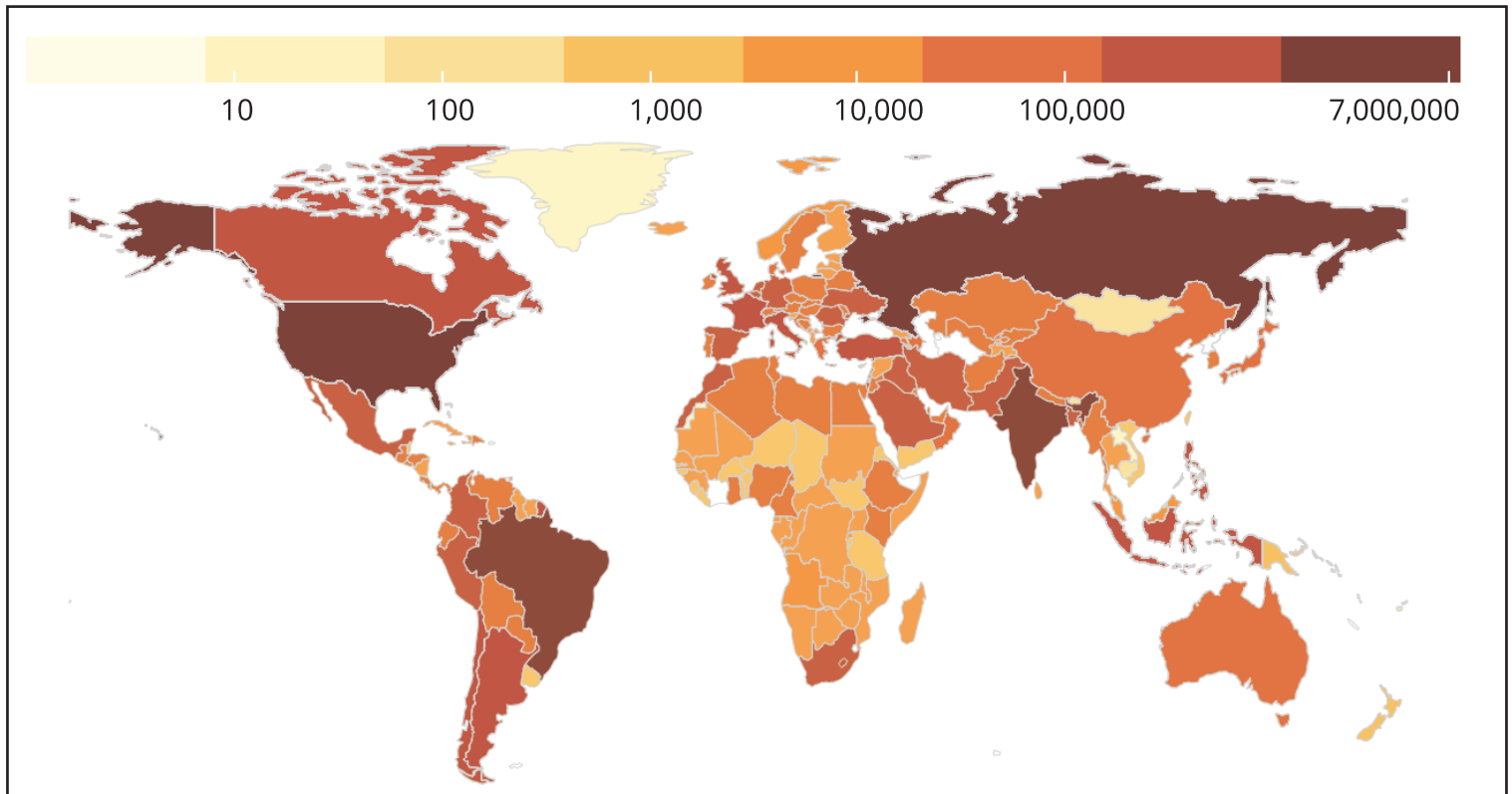
- 03 COVID-19 Case Updates**
a quick overview of cumulative cases globally
- 05 Why Trumponomics won't make America great again**
how has Trump's impulsivity and shallowness impacted the economy?
- 07 Africa 'needs \$1.2tn' to recover coronavirus losses**
despite not being the top countries of coronavirus health toll, the impacts of coronavirus is felt everywhere
- 09 India wants to boost economic growth again, but it has one big task ahead of it first**
India's health and economic tolls are on the rise, what should be done?
- 11 Economic Department FAQs**
Find the answers of your questions regarding economics POST
- 15 Upper-year Advice Column**
adsfjaiojf oiawj foiaefj oawif jao afjoief aoiajf

COVID-19 Cases Updates

Cumulative Cases Over Time Globally

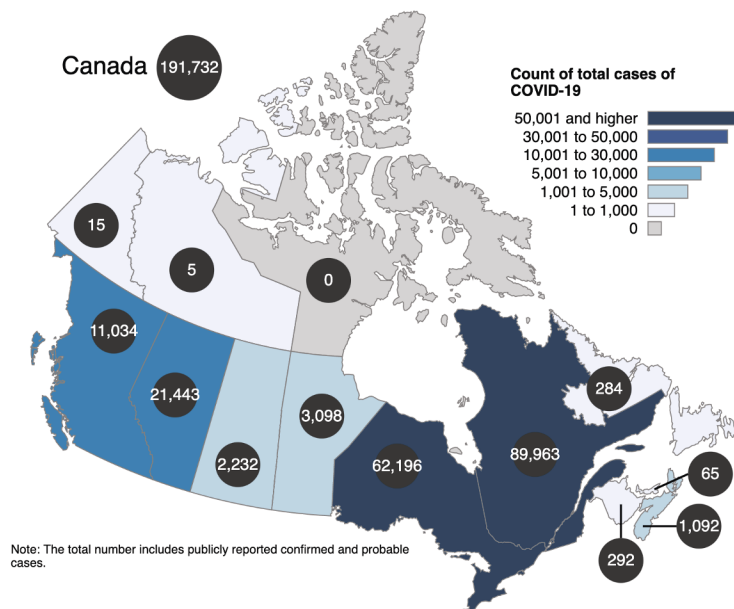
Source: John Hopkins University

Visualizing cumulative cases demonstrates the overall toll of coronavirus for each country as of August 15, 2020. The United States, Brazil, and India have particularly high rates of coronavirus cases in the millions.



Domestic COVID-19 Cases

Source: Government of Canada



The information is current as of August 15, 2020. For the most up to date data for any province, city, or territory, please visit their website.

Number of People Tested		Deaths
8,353,069		9,664
Total Cases	Active Cases	Recovered
189,387	20,372	159,351



Calamities challenge California's economic foundations

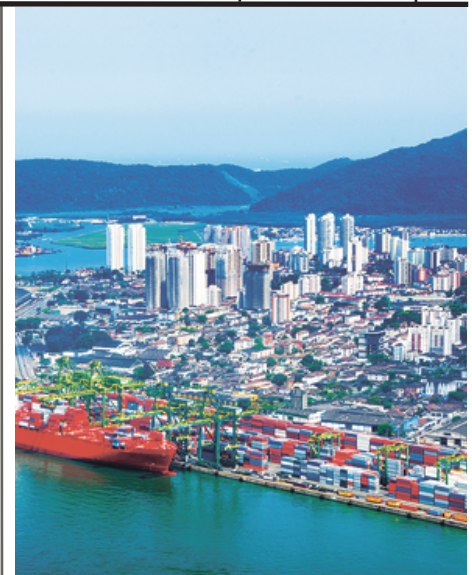
Source: *New York Times*

- The pandemic and wildfires have underscored issues of housing and growth. Will the disruptions and dislocations force the state to chart a new course?
- Businesses shuttered by the pandemic are slowly reopening, but technology complexes are quiet, their workers carrying on from home indefinitely. The smoke-filled skies had started to clear, but new fires have arrived in a fierce wildfire season that shows the intensifying effects of climate change.
- Now California and its \$3 trillion economy are confronting a profound question: How much will go back to normal, and how much has been permanently changed?

September inflation in Argentina reached 2.8% and 36.6% in 12 months

Source: *MercoPress*

- Argentina's inflation accelerated slightly in September from August as some easing of quarantine restrictions allowed the economic activity to begin to recover. The consumer prices rose 2.8% in September and increased 36.6% from a year earlier, Argentina's Indec statistics agency said on Wednesday.
- Indec reported last month that prices rose 2.7% in August and increased 40.7% from a year earlier.
- Argentine health authorities had been gradually relaxing coronavirus related quarantine restrictions in much of the country, but recently had to toughen the measures again in several provinces as the number of new infections and deaths has risen.



Brazil's coffee exports grind to a halt in 'peak season'

Source: *Arab News*

- Brazil's economy is suffering due to the coronavirus pandemic, causing a 40 percent slide in its currency, the real. That spurred a flood of exports of now-cheaper goods, but imports have dropped sharply, causing the imbalance in containers that has led to delays.
- That is a direct hit to Brazil, which with 30 percent of global coffee trade is the world's largest exporter of the commodity.
- According to shipping industry consultancy Datamar, there was an imbalance of nearly 80,000 boxes in Brazil in August, with around 251,000 containers leaving the country and only 172,000 arriving. By contrast, in January, 216,000 boxes arrived and 201,000 left.

6 Strategies that Can Help Tourism Recover in Latin America

Source: World Economic Reform



Why Trumponomics won't make America great again

Source: The Economist

Trumponomics (unlike, say, Reaganomics) is not an economic doctrine at all. It is best seen as a set of proposals put together by businessmen courtiers for their king. Mr Trump has listened to scores of executives, but there are barely any economists in the White House. His approach to the economy is born of a mindset where deals have winners and

and where canny negotiators confound abstract principles. Call it boardroom capitalism.

Unleashing pent-up energy would be welcome, but Mr Trump's agenda comes with two dangers. The economic assumptions implicit in it are internally inconsistent. And they are based on a picture of America's economy that is decades out of date.



Trumponomics is a poor Worse, when the recipe for long-term contradictions become prosperity. America will apparent, Mr Trump's end up more indebted economic nationalism and more unequal. It will may become fiercer, neglect the real issues, leading to backlashes in such as how to retrain other countries—further hardworking people stoking anger in whose skills are America. becoming redundant.



Europe's economy would be back to pre-crisis levels quicker if we work together, Germany says

Source: CNBC

- German Finance Minister Olaf Scholz said he is confident the economy can return to pre-crisis levels by 2022.
- He said European leaders need to work together to achieve that.
- The European economy is heading for a large contraction in 2020 due to the pandemic.

Ireland prepares for the twin threats of Brexit and coronavirus with a mega-budget

Source: CNBC

- Ministers announced a raft of measures on the assumption that there will be no EU-U.K. trade deal and no vaccine will be available in 2021.
- Ireland is projected to have a deficit of 20.5 billion euros (\$24 billion) next year.
- The corporate tax rate of 12.5% wasn't changed, but the shadow of international tax talks still looms.

European markets close higher as investors watch U.S. stimulus, earnings

Source: CNBC

- The pan-European Stoxx 600 provisionally closed about 0.5% higher, with banks jumping over 2.5% on the back of strong earnings to lead the gains.
- House Speaker Nancy Pelosi signaled that she and Treasury Secretary Steven Mnuchin were "just about there" in coronavirus stimulus talks.
- Barclays on Friday reported a net profit of £611 million (\$797.7 million) for the third quarter, more than double analyst expectations.



Europe's Economy Risks New Contraction From Virus Curbs

Source: Bloomberg

The resurgence of the coronavirus has knocked Europe's economic recovery back a step and raised the possibility of another contraction. IHS Markit's monthly measure of business activity fell to a four-month low of 49.4 in October from 50.4 in September. Within the report is a clear, divergent trend of manufacturing strength being offset by damage to services from the second wave of the pandemic.

Spain's economy will shrink more than most in 2020, says IMF

Source: El Pais

- As a result of the coronavirus crisis, output is expected to decline by 12.8% of GDP, an unprecedented figure that is worse than in any other advanced country.
- The IMF concedes that "the uncertainty surrounding the baseline projection is unusually large" due to all the public health and economic factors involved in the pandemic, but the research still provides a useful comparison between Spain and the rest of the world.



Africa 'needs \$1.2tn' to recover coronavirus losses

Source: BBC

- The economic damage as well as the health costs caused by coronavirus has left Africa needing \$1.2tn (£920bn) over the next three years, the International Monetary Fund has said.
- IMF chief Kristalina Georgieva said the world "must do more to support Africa to [recover]... from this crisis".
- Africa has had fewer Covid infections and deaths than most other continents.
- But the World Bank says 43 million more Africans are at risk of extreme poverty as a result of the pandemic.
- The economic impact is reversing the trend in recent years of strong growth in Africa, as jobs have been lost and family incomes have been reduced by 12%, Ms Georgieva told a virtual IMF meeting.

Ramaphosa Outlines Plan to Spur South African Recovery

Source: Bloomberg

- South African President Cyril Ramaphosa unveiled a highly anticipated plan to revive the coronavirus-battered economy, with job creation, increased infrastructure investment, enhanced energy security and more local manufacturing among its key tenets.
- The plan, presented to lawmakers in Cape Town, targets an average annual economic growth rate of 3% over the next decade and envisions the government.
- The number of people who are employed fell by 2.2 million in the second quarter to the lowest in almost a decade and the central bank expects gross domestic product to shrink



China is building bridges to Africa's future leaders as US is closing doors to them

Source: thePrint

- International students contributed \$41 billion to the U.S. economy in 2019, with African students contributing about \$1.7 billion. This helps countless American companies, from a dorm room lamp bought at a Target store to a laptop from Apple to an Uber Eats delivery.
- Furthermore, Open Doors found, three U.S. jobs are created for every seven international students, meaning African students supported more than 20,000 American jobs in 2019 alone.
- Nigeria, which would be hit with the proposed two-year visa limit, is ranked 11th for the number of students in the U.S. based on origin country, resulting in a larger economic impact than European countries including the U.K., Germany, and France.

Singapore's economy shrinks at a slower pace as it reopens from coronavirus partial lockdown

Source: CNBC

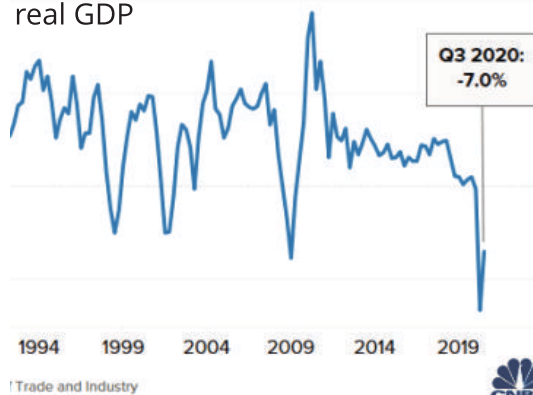
Singapore's economy contracted by 7% in the third quarter compared with a year ago, according to official estimates released by the Ministry of Trade and Industry.

On a quarter-on-quarter seasonally adjusted basis, the Singaporean economy rebounded by 7.9% in the July-to-September period, the ministry said.

The country's central bank — Monetary Authority of Singapore — said it kept its exchange-rate based monetary policy on hold.

According to the Monetary Authority of Singapore (MAS), the Singaporean economy is expected to see a recovery in 2021, alongside receding disinflation risk. However, the

year-on-year percentage change in real GDP



underlying growth momentum will be weak... The MAS explained its latest policy decision on Wednesday, and said that while the Singapore economy is recovering, sequential growth is expected to slow in the final quarter of 2020 and remain modest next year.



Australia's finance minister says government is preparing to invest in the strength of recovery

Source: CNBC

- Australia announced its budget where it will give billions of dollars worth of personal tax cuts for middle-income earners, programs to create jobs and boost employment as well as temporary tax incentives for businesses to start investing again.
- The budget deficit is predicted to be 213.7 billion Australian dollars (\$151.8 billion), about 11% of GDP, in the current fiscal year and is expected to reduce to about 1.6% of GDP in the medium term.
- Finance Minister Mathias Cormann said the moves are aimed at investing in the strength of the economic recovery moving forward.



East Asia poverty could rise for first time in 20 years due to the pandemic, World Bank says

Source: CNBC

- The number of people living in poverty in developing East Asian and Pacific countries could increase for the first time in 20 years, a World Bank forecast showed on Monday.
- The bank said as many as 38 million more people could fall below the poverty line this year, including 33 million who would have escaped poverty if the Covid-19 shock didn't happen.
- The World Bank defined the poverty line as income of \$5.50 a day.



India wants to boost economic growth again, but it has one big task ahead of it first

Source: CNBC

- India needs to restore purchasing power in rural and urban areas for growth to pick up again, Arun Kumar, an economist and an expert on the unorganized economy, told CNBC.
- The unemployment rate in India was about 6.7% in September, down from the April high of 23.5%, according to data from Centre for Monitoring Indian Economy.
- For the three months from April to June — considered the first quarter of India's current fiscal year — the economy shrank at its steepest pace of 23.9% as the country was mostly locked down to slow the spread of coronavirus.



New Zealand's finance minister expects strong economic rebound from technical recession

Source: CNBC

- New Zealand is predicting a strong rebound for its economy in the three months that end in September, Finance Minister Grant Robertson said Friday.
- The country fell into a steep recession — two consecutive quarters of negative growth — after GDP shrank 12.2% on-quarter between April to June, largely in line with the 12.8% decline that economists expected in a Reuters poll.
- Between April and May, New Zealand enforced a strict nationwide lockdown for several weeks to slow the spread of coronavirus. That meant most people had to stay indoors and all non-essential businesses were shut.
- Infection rate in the country of around 5 million people has remained relatively low, with 1,809 cases reported and 25 deaths.

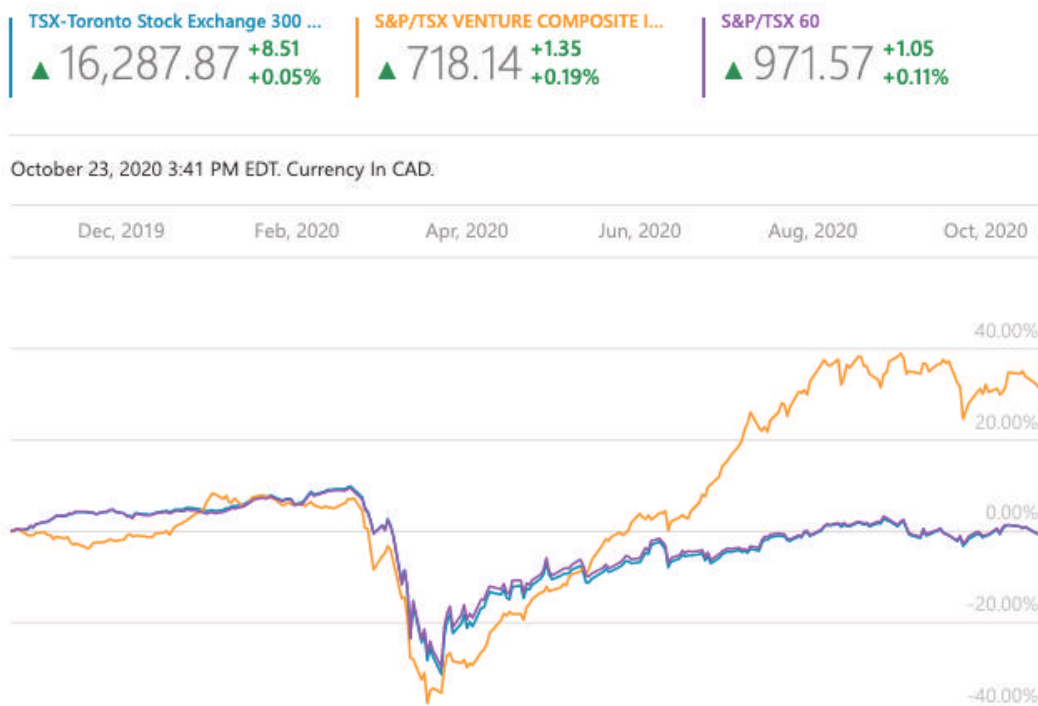
Canadian Stock Market Dec 2019 - Oct 2020

Source: Microsoft News

Data from Oct. 23, 2020

For those interested in more in-depth analysis, please check:

<https://www.msn.com/en-ca/money/markets>



Fed plans new round of bank stress tests in response to COVID-19

Source: The Banker

"The Fed's stress tests earlier this year showed the strength of large banks under many different scenarios," said Fed vice chair Randal Quarles.

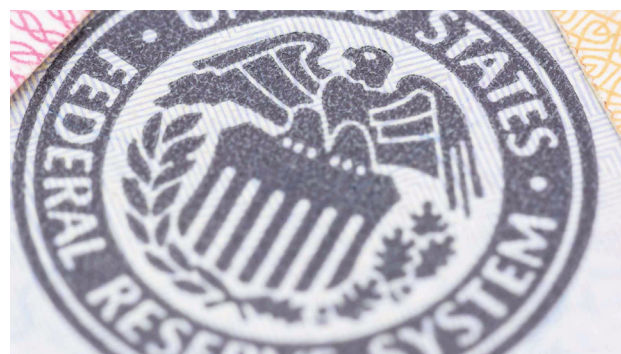
"Although the economy has improved materially over the last quarter, uncertainty over the course of the next few quarters remains unusually high, and these two additional tests will provide more information on the resiliency of large banks."

The first scenario, rated as "severely adverse", sees the unemployment rate peaking at 12.5% at the end of 2021 and declining to around 7.5% by the end of the scenario. GDP declines about 3% from the third quarter of 2020

through the fourth quarter of 2021. The scenario also features a sharp slowdown abroad.

The second scenario, rated as "alternative severe", features unemployment peaking at 11% by the end of 2020 and only declining to 9% by the end of the scenario. GDP declines about 2.5% from the third to the fourth quarter of 2020.

Both scenarios include a global market shock component that will be applied to banks with large trading operations. Those banks, as well as certain banks with substantial processing operations, will also be required to



incorporate the default of their largest counterparty. The results are to be released by the end of the year.

The Fed explained that the scenarios are not forecasts and are significantly more severe than most current baseline projections for the US economy under the stress testing period. Each scenario includes 28 variables covering domestic and international economic activity.

"Uncertainty remains high and these additional tests will provide more information on the resiliency of banks."



Recap of UEC Economics Explained COVID-19: Financial Markets

Over reading week, the second episode of the COVID-19 Webinar series aired. Joined by Professor Marius Zoican and hosted by UEC Executive member Namit Aggrawal, students were taken on a journey to explore how markets have changed under the age of the pandemic.

From bear markets to specific businesses, Professor Zoican unraveled the events with snippets of news articles intermingled with his own analysis. Questions related to the housing market, recent policies regarding retail trading, and many more contributed together to make the webinar engaging and even more informative.

If you are interested in hearing more about the webinar, make sure to follow UEC on insta to find details for the last episode. If you are interested in hearing the full episode, we have the slides and recording readily accessible in late November.

FAQs (Frequently Asked Questions)



Source: UTM Economics Dpt

<https://www.utm.utoronto.ca/economics/undergraduate-studies/faqs>

| **Can I take a course for "CR/NCR" (credit/no credit) for a course in my ECO program?**

Normally, a "CR/NCR" course cannot be used towards program completion; however, there is an exception to this policy during the Winter 2020 term ONLY for all undergraduate Y and S courses (including courses with no final exams). With the exception, students can use the "CR/NCR" option for any course(s), and they will be counted towards programs.

| **Can I use "CR/NCR" (credit/no credit) for a course that has a minimum grade requirement for program entry or pre-requisite?**

Normally, a "CR/NCR" course

cannot be used towards program entry; however, there is an exception to this policy during the Winter 2020 term ONLY.

Students who choose the "CR/NCR" option are still required to meet the minimum grade requirement for program entry or a course prerequisite. The "CR" does not bypass the grade requirement. Although there is no numeric grade on the transcript, University staff still have access to the numeric grade and will use it to verify requirements.

Program entry example:

For the Eco Major program, a minimum grade of 63% is needed in ECO100Y5. Normally students

cannot use “CR” for this course if they request program entry to Economics. However, for Winter 2020, due to the exception, students can still select the “CR/NCR” option for ECO100Y5; the Department of Economics will be verifying numeric grades for each student, to ensure they meet the minimum 63% grade requirement. Students who do not meet the minimum requirement, regardless of the “CR/NCR” option, will not be invited to the Eco Major program.

Course prerequisite example:

One of the prerequisites for ECO375H5 is ECO220Y5 (70%). Students can still select “CR/NCR” for ECO220Y5 if they choose, but it does not bypass the requirement.

Although there is no numeric grade on the transcript, University staff still have access to the numeric grade and will use it to verify requirements.

| Can I take a course without the prerequisites, or take it as a co-requisite?

No. Students must meet the prerequisites and/or co-requisites as listed in the Academic Calendar before the first day of the term. The Department of Economics verifies pre-requisites in all courses and students who do not meet the requisites will be removed.

If you have a specific circumstance and need assistance with developing an academic plan for ECO courses, please contact the Economics Academic Advisor (see below for email).

NOTE: ECO100Y5 has no prerequisites

| When can I request program entry?

Students can request program entry during Round 1 (spring) or Round 2 (summer). For the schedule and details, see the Registrar’s website:

<https://www.utm.utoronto.ca/registrar/office-registrar-publication/s/program-selection-guide>

| How many students are accepted into Economics programs?

All students who meet the program entry requirements are accepted into Economics Programs.

For full details on program entry requirements see the Academic Calendar:

<https://www.utm.utoronto.ca/economics/undergraduate-studies/programs>

| I did not obtain a grade of 63% in ECO100Y5. What are my options now?

In order to continue studies in Economics in second year, students need to achieve a minimum of 63% in ECO100Y5. There are no exceptions to this requirement. If you did not achieve this requirement, you may need to consider alternate program options.

| Can I repeat ECO100Y5?

If you completed the ECO100Y5 credit but did not achieve 63% (i.e. achieved 50-62%), then you must request permission to repeat the course, by submitting an online request to the UTM Registrar (Course Enrolment Exception Form). The Registrar decides which students are eligible to repeat a

course (not the Department of Economics). For more information on repeating courses, and Second attempt for credit, see the Registrar’s website:

<https://www.utm.utoronto.ca/registrar/>

If you did not complete the ECO100Y5 credit (i.e. achieved 0-49%, “NCR” or “LWD”), and you have decided you want to retake the course to attempt to complete the course and achieve 63%, you can enroll as usual on ACORN. You do not require special permission to enroll in the course.

If you are repeating or retaking a course, it is a good idea to book an appointment at the RGASC (Robert



Gillespie Academic Skills Centre), in order to address skills such as study habits, time management, and test writing, before you begin a second enrollment in the same course.

<https://www.utm.utoronto.ca/asc/undergraduate-students>

| If I take a course at St. George campus, will it count towards my ECO program at UTM?

Courses taken at STG (St. George campus) and UTM will both count towards your ECO program at UTM as long as they are not exclusions (see note below).

ECO100Y5(63%) is equivalent to ECO101H1(63%) + ECO102H1(63%). Note: Minimum grade is required in EACH course – not an average.

Most 200-level courses are equivalent, including ECO200Y1, ECO202Y1 and ECO220Y1, ECO206Y1, ECO208Y1, and ECO227Y1.

Note on Exclusions: some UTM courses at the 300/400-level have exclusions with different course numbers at STG, so it is a good idea to check with the Economics Academic Advisor before taking a 300/400 level course at STG.

| I have a question that is not answered in the above FAQs. Who can I contact for assistance?

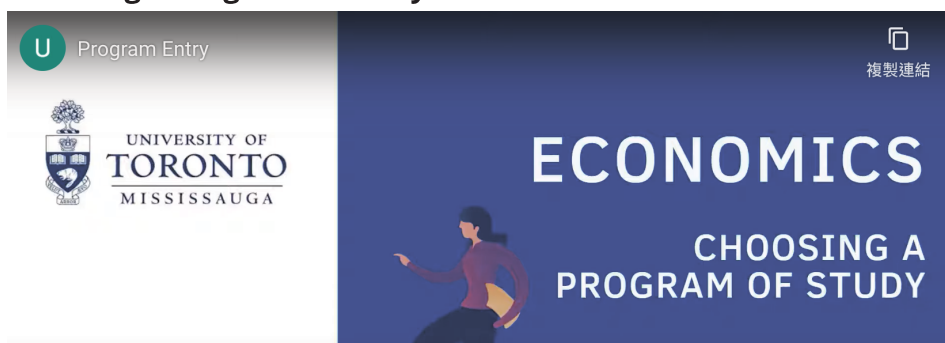
If you have read these FAQs, and still have questions about ECO programs or courses, you can contact the Economics Academic Advisor, Ferzeen Sammy at

ferzeen.sammy@utoronto.ca

A Guide to Course Delivery 2020-2021

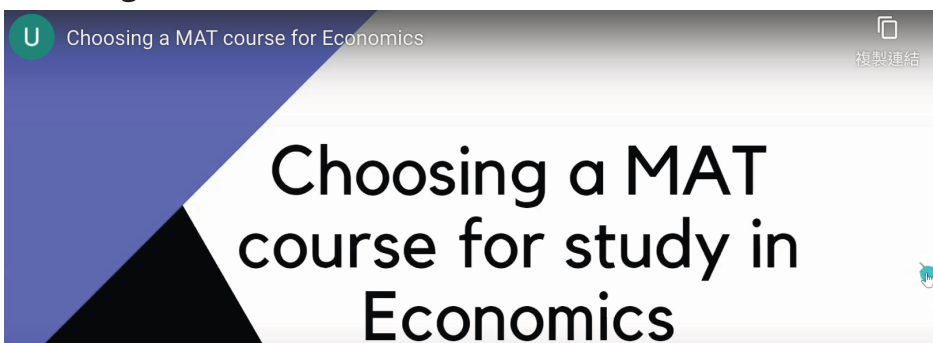
For Fall 2020, Economics courses will be delivered either online or using an in-person rotation (i.e. in-person classes mixed with online delivery). For details on what to expect with each delivery mode, view the Registrar's website.

Choosing a Program of Study



Includes in-depth information, tips, and resources to help guide a more informed decision.

Choosing a MAT Course for Economics



Provides a background of all introductory MAT courses and other resources.

Guide to Second Year Courses



Analyzes the different routes to choose from the array of 2nd year courses for economics specialist, economics major, commerce, and management students.

Economics Explained : Covid-19

BIWEEKLY WEBINAR SERIES

Episode 4

Preparing for the Post-COVID19 Economy

Focusing on how we, as students, can prepare ourselves using factual analysis and figures, what should we expect in the job market, and how will the pandemic impact our careers 5 or 10 years onwards?

Friday, Nov. 13th, 2020

Time: TBC

Platform: Zoom

Registration: Link in Bio



EP 1
Macroeconomic
Mutations

OCT. 2

EP 2
Financial Markets

OCT. 14

EP 3
International Politics
vs. COVID-19
Response

OCT. 30

EP 4
Preparing for the
Post-COVID19
Economy

NOV. 13

Upper-Year Advice Column



Dev'Roux Maharaj

HBA Economics and Political Science 21'

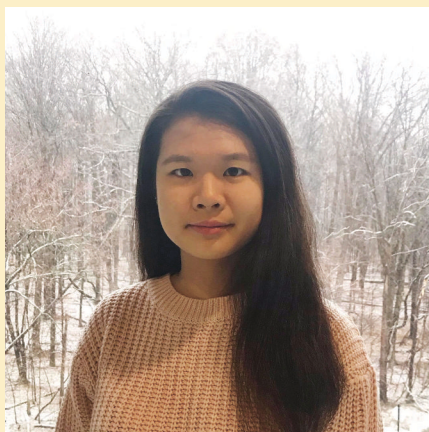
Transitioning from high school to university is tough, but in my opinion, it is not nearly as difficult when compared to the first/second year transition. The difficulty in the former (in my opinion) comes from a change in environment, culture, habits, and mindset whereas the difficulty in the latter comes from a change in priorities resulting from your first-year experiences. Once you all make it into POST, the options available to you increase exponentially because the first battle has been won. However, making POST is honestly only half the battle because landing internships, course placements, getting into post-grad and managing the course load are struggles are a whole different ballgame. Hard lessons are learnt in the first year and even harder lessons are learnt in the second, and because of this a time of reckoning will appear. It will show you whether Economics is the best option for you, or whether a change is needed. There is nothing wrong with changing your path in life, because (as this pandemic shows) life is crazy, so be crazier! Another reason why second year is so difficult comes from ability, or inability to challenge oneself to grow and thrive given a change in circumstances. Being able to decipher whether you should hit the gas or the brakes is a skill that is hard taught in your second year, so it is beneficial to reach out to senior students who have learnt that lesson. The best study habits often come during the worst of times, and the worst of habits often come from the best of times. Knowing this, please be mindful for what you think is healthy for you as the truth tends to present itself in a fashion that is not so conducive to our interests. If I were to wish one thing for my first/second year self, it would be to ask for help and to not be afraid to admit failure. Be kind to yourself during these troubling times and please remember that obstacles are only as temporary as you want them to be, even if that obstacle is a global pandemic.

Want to give some personal or general advice to this year's incoming freshmen?

For this month's issue, we would be entertaining any appropriate submissions from upper-year students that have anything to say to our 2020-2021 incoming class. Don't be shy to share your knowledge and experience. We look forward to hearing from you!

Google Form: <https://forms.gle/nwFE3bkk7qQVU35Z6>



**Anny Zhao**

3rd Year, Finance Specialist & Economics Major

As exams and midterms are approaching many students are starting to feel increasingly stressed as they attempt to find a good work-life balance. As we all adjust to the COVID-19 pandemic, it can be a difficult transition from a physical to a virtual environment. These tips and advice from an upper-year student may help you have a smoother and less stressful transition.

Now with classes being almost entirely virtual, interaction with classmates and friends is completely different. In this virtual environment, it's more important than ever to maintain that work and life balance. With social distancing and people going back home, it can be difficult to have this balance. Finding some time when everyone in your friend group is free is a major step towards destressing. There are so many virtual activities that are free for us to explore. Some suggestions are popular games such as Among Us, Scribble, Codenames, or even completing a virtual escape room. There are so many options to choose from! Even when you have a lot of work to complete, taking breaks is necessary, and can improve productivity. Why not have some fun?

Another tip for dealing with stress is to be organized. Setting up a study schedule is an important way to keep track of all our coursework. Using the Google calendar tool is a good way to keep track of your assignments, tests, and classes. You are able to colour code and set reminders, so you won't forget to complete your work before the due date. This is a good way to manage your time so you will not fall behind when assignments start piling up. It's also a great way to make sure you're scheduling in time for yourself and loved ones because it serves as a reminder to consider more than just coursework. Find the time to go through your course syllabi and set up that schedule.

Additionally, as economics students, there are a wide range of topics to study such as microeconomics, macroeconomics, quantitative economics, and many more. These topics can be challenging but applying what you learn in class into your everyday life can help you excel in your classes. For example, attending workshops and events that discuss how the economy has changed since COVID-19 or thinking about the opportunity costs in your everyday life. This application will help you internalize these concepts and develop a mind for economics. UEC has many great events that are economics-related and present a great opportunity to connect with your peers.

Finally, it is understandable to be extremely stressed as a student. Sometimes it's okay not to be okay. Don't be afraid to reach out to your friends who might be in the same boat as you or to reach out to professionals. There are many people in the UTM community who are willing to help out and to chat!

Remember to stay safe and have fun!

published by:
Undergraduate Economics Council

