

# THE ECONOMIC CONSEQUENCES AND IMPACT OF THE COVID-19 PANDEMIC ON THE GLOBAL ECONOMY

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## **Abstract**

Due to the coronavirus pandemic, the world economy entered another phase of crisis at a fairly rapid pace from the beginning of 2020. The COVID-19 pandemic has affected more than 50 million people in almost every country in the world. Because of the crisis caused by COVID-19, governments around the world were operating in complete uncertainty, facing a difficult situation. with the choice of compromises, taking into account the existing health, economic and social challenges. By the spring of 2020, more than half of the world's population had been restricted by strong restraint measures. The widespread coronavirus pandemic, in addition to a health and human tragedy, caused the most serious economic crisis in the world since World War II.

The main feature of the pandemic crisis was the emergence of a double shock in terms of "supply" and "demand". It was truly unprecedented for the world economy, which led to unusually large economic shocks and unpredictability of future developments.

Naturally, the levels of economic decline varied from country to country, depending on the nature of the economy, the factors of influence, the extent of the pandemic, the nature of the restrictions applied, the range of support measures, and the targets. In particular, in 2020, the average economic decline in the region of Central East Asia was -2.9%, and the decline in world GDP - -3.1%. As for European countries, the level of economic decline in some countries has been quite high. Although the full assessment of the effects of the pandemic was unpredictable from the beginning, the effects of the global economic crisis may persist for a long time, which is likely to cause major structural changes in the world economy.

It should be noted that judging by the development trends of late 2020, the world economy has entered a V-recovery phase, as evidenced by the high dynamics of 5.9% economic growth in 2021, as well as the forecasts of international organizations that in 2022 World economic growth will be 4.4%.

**Keywords and phrases:** pandemic, economic impact, world economy, global oil market, financial markets.

# COVID-19 ՀԱՄԱՎԱՐԱԿԻ ՏՆՏԵՍԱԿԱՆ ՀԵՏԵՎԱՆՔՆԵՐԸ ԵՎ ԱԶԴԵՑՈՒԹՅՈՒՆԸ ՀԱՄԱՇԽԱՐՀԱՅԻՆ ՏՆՏԵՍՈՒԹՅԱՆ ՎՐԱ

## ԿԱՐԵՆ ՍԱՐԳՍՅԱՆ

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## Համառոտագիր

Կորոնավիրուսային համավարակի պատճառով համաշխարհային տնտեսությունը 2020 թվականի սկզբից բավականին արագ տեմպերով թնակոխեց մեկ այլ ճգնաժամի փուլ: COVID-19 համավարակը ազդել է աշխարհի գրեթե բոլոր երկրների և ավելի քան 50 միլիոն մարդու վրա: COVID-19-ի առաջացրած ճգնաժամի պատճառով կառավարություններն ամբողջ աշխարհի մակարդակով գործում էին լիակատար անորոշության պայմաններում՝ բախվելով դժվարին փոխզիջումների ընտրությանը՝ հաշվի առնելով առկա առողջապահական, տնտեսական և սոցիալական մարտահրավերները: 2020 թվականի գարնան դրությամբ աշխարհի բնակչության կեսից ավելին հայտնվել էր սահմանափակումների մեջ՝ կիրառված ուժեղ զսպման միջոցառումների արդյունքում: Հանրային լայն ընկալմամբ՝ կորոնավիրուսային համավարակը, առողջապահական և մարդկային ողբերգությունից բացի, երկրորդ համաշխարհային պատերազմից ի վեր ամենալուրջ տնտեսական ճգնաժամ էր առաջացրել աշխարհում:

Համավարակով պայմանավորված ճգնաժամի հիմնական առանձնահատկությունը երկակի շոկի առաջացումն էր՝ և՛ առաջարկի, և՛ պահանջարկի առումով: Այն, իսկապես, աննախադեպ էր համաշխարհային տնտեսության համար, ինչը հանգեցրեցր անսովոր չափի տնտեսական ցնցումների և ապագա զարգացումների անկանխատեսելիության:

Բնականաբար, տնտեսական անկման մակարդակները տարբերվում էին ըստ երկրների՝ կախված տնտեսության բնույթից, ազդեցության գործոններից և համավարակի տարածվածության մակարդակից, կիրառվող սահմանափակումների բնույթից, աջակցության միջոցառումների շրջանա-

կից և թիրախներից: Մասնավորապես, 2020 թվականին Կենտրոնական և Արևելյան Ասիայի տարածաշրջանում միջին տնտեսական անկումը կազմել է -2,9%, իսկ համաշխարհային ՀՆԱ-ի անկումը՝ -3,1%: Ինչ վերաբերում է եվրոպական երկրներին, ապա որոշ երկրներում տնտեսական անկման մակարդակը բավականին բարձր է եղել: Թեև համավարակի հետևանքների ամբողջական գնահատումն ի սկզբանե անկանխատեսելի էր, համաշխարհային տնտեսական ճգնաժամի հետևանքները կարող են երկար ժամանակ պահպանվել, ինչն, ամենայն հավանականությամբ, համաշխարհային տնտեսության մեջ կառաջացնի խոշոր կառուցվածքային փոփոխություններ:

Հարկ է նշել, որ դատելով 2020 թվականի վերջին արձանագրված զարգացման միտումներից՝ համաշխարհային տնտեսությունը թեակոխել է V-աձև վերականգնման փուլ, ինչի մասին են վկայում 2021 թվականին արձանագրված 5,9 տոկոսանոց տնտեսական աճի բարձր ցուցանիշը, ինչպես նաև միջազգային կազմակերպությունների կանխատեսումներն առ այն, որ 2022 թվականին համաշխարհային տնտեսական աճը կկազմի 4,4 տոկոս:

**Բանալի բառեր և բառակապակցություններ.** համավարակ, տնտեսական ազդեցություն, համաշխարհային տնտեսություն, նավթի համաշխարհային շուկա, ֆինանսական շուկաներ:

# **ЭКОНОМИЧЕСКИЕ ПОСЛЕДСТВИЯ И ВЛИЯНИЕ ПАНДЕМИИ COVID-19 НА МИРОВУЮ ЭКОНОМИКУ**

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### **Аннотация**

Из-за эпидемии коронавируса мировая экономика с начала 2020 года достаточно быстрыми темпами вошла в очередную фазу кризиса. Эпидемия COVID-19 затронула более 50 миллионов человек почти во всех странах мира. Из-за кризиса, вызванного COVID-19, правительства по всему миру работали в условиях полной неопределенности, столкнувшись со сложной ситуацией с выбором компромиссов с учетом существующих медицинских, экономических и социальных проблем. К весне 2020 года более половины населения планеты были охвачены жесткими ограничительными мерами. Широкомасштабная эпидемия коронавируса, помимо медицинской и человеческой трагедии, стала причиной самого серьезного экономического кризиса в мире со времен Второй мировой войны.

Главной особенностью эпидемического кризиса стало возникновение двойного шока с точки зрения «предложения» и «спроса». Это было поистине беспрецедентно для мировой экономики, что привело к необычно крупным экономическим потрясениям и непредсказуемости развития событий в будущем.

Естественно, уровни экономического спада варьировались от страны к стране в зависимости от характера экономики, факторов воздействия, масштабов эпидемии, характера применяемых ограничений, спектра мер поддержки и целей. В частности, в 2020 году средний экономический спад в регионе Центрально-Восточной Азии составил 2,9%, а спад мирового ВВП - 3,1%. Что касается европейских стран, то уровень экономического спада в некоторых странах был достаточно высоким. Хотя полная оценка последствий эпидемии с самого начала была непредсказуемой, последствия глобального экономического кризиса могут сохраняться в течение длительного времени, что, вероятно, вызовет серьезные структурные изменения в мировой экономике.

Следует отметить, что, судя по тенденциям развития конца 2020 г., мировая экономика вступила в фазу V-восстановления, о чем свидетельствует высокая динамика экономического роста на уровне 5,9% в 2021 г., а также прогнозы международных организаций о том, что в 2022 г. мировой экономический рост составит 4,4%.

**Ключевые слова и словосочетания:** пандемия, экономическое воздействие, мировая экономика, мировой рынок нефти, финансовые рынки.

## 1.Introduction

The new coronavirus pandemic, called COVID-19, originated in Wuhan, central China's Hubei province, in late 2019 and has spread rapidly to more than 200 countries in Europe, Asia, the United States, and Africa [5]. On January 30, 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 as a global emergency, given the risk it poses to public health [6]. In fact, the rapid spread of the virus led to the new coronavirus becoming an unprecedented global infection in the first three months of 2020, and on March 11, 2020, the WHO announced the COVID-19 outbreak global pandemic. However, some experts believe that although the COVID-19 virus is highly contagious, in many cases, its death rate is still no higher than that of any seasonal flu [14].

Naturally, the levels of economic decline varied from country to country, depending on the nature of the economy, the impact factors and level of the pandemic, the nature of the restrictions applied, the scope of support measures and targets. In particular, the average decline in Central and East Asia in 2020 was -2.9%, and the decline in global GDP was -3.1%. As for the European countries, the level of economic decline in some countries was quite high. Thus, in the United Kingdom in the second quarter of 2020, there was a sharp decline of -21.7%, and in France, where the lockdown measures were considered the most severe, GDP fell by -13.8% after a decline of -5.9% in the previous quarter. In the second quarter of 2020, GDP in Italy, Canada, and Germany also fell sharply by -12.4%, -12.0%, and -9.7%, respectively, compared to -5.4%, -2.1%, and -2.0% in the previous quarter. In Japan, where restraint measures were relatively mild, GDP shrank by -7.8% in the second quarter of 2020 from 0.6% in the previous quarter [20]. It is clear that the longer and more severe the restriction measures, the higher the risk for regional economies. Realizing this, the countries were trying to ease the general restrictions as soon as possible. Against the further mitigation context, in the summer of 2020, targeted (localized) restrictions were already applied in several countries to mitigate the negative impacts on the economy as much as possible. However, already in the fall of 2020, some countries around the world returned to strict national restrictions from time to time to mitigate the negative effects of the second wave of the pandemic before the launch of large-scale vaccinations.

Although a full assessment of the effects of the pandemic was initially unpredictable, the effects of the global economic crisis could persist for a long time, likely to cause major structural changes in the world economy.

The main feature of the crisis caused by the pandemic is the emergence of a dual shock, both in terms of supply and demand. This is truly unprecedented for the global economy, resulting in an unusual amount of economic turmoil and unpredictability of future developments.

However, it shouldn't be thought that the only cause of the economic crisis of 2020 was the pandemic. Before the outbreak of the coronavirus, the world economy already had some negative factors and serious challenges, which sooner or later would lead to serious economic shocks. In particular, we can mention the trade disputes between China and the United States, the withdrawal of the United Kingdom from the European Union (Brexit), the disagreements over oil production between Russia and Saudi Arabia, the deepening debt crisis in the world financial markets, etc. Of course, in addition to the above, other factors had already significantly weakened the economies of large countries, so there was almost no doubt that the COVID-19

pandemic would become the "black swan" that would smoothly push the world economy into a new crisis.

## **2.Theoretical and methodological bases**

As early as March 2020, it was clear that COVID-19 would cause a global crisis that could be contagious both economically and medically [2]. Indeed, the coronavirus pandemic, along with the health crisis, caused an economic crisis, disrupting the normal course of the world economy and causing it to stagnate, which in turn provoked uncertainties about the expected further effects of the pandemic on the world economy [8].

It should be noted the coronavirus itself would not have such a negative impact on the economy as the steps that the authorities of almost all countries of the world had to take to protect the population from the effects of the pandemic [9]. As early as in March-April 2020, it was obvious that against severe general quarantine and economic activity context, which were applied by many countries to prevent the spread of the pandemic, the world economy is expected to decline sharply in 2020. Restrictions imposed by governments led to a sharp decline in business activity in almost all countries of the world. During the national restrictions, several economic sectors, such as tourism and related services, which involve direct contact between customers and service providers, were almost deprived of revenue as a result of restrictions and mandatory social distance requirements. Most retailers and restaurants closed for a relatively long time, and the rise in online and so-called "take away" sales did not offset the massive drop in demand, especially in areas where Internet access was lower and online commerce was less developed.

In many countries where the pandemic was widespread, governments faced a tough dilemma of reviving both public safety as well as economy. This has been particularly noticeable in countries where the labor force largely consists of informal workers who have failed to economically balance lockdowns.

## **3.Results Obtained**

Let us now take a closer look at the main processes of the pandemic is affecting the global economy.

**Impact of Covid-19 pandemic on the global oil market.** Shortly before the COVID-19 coronavirus pandemic, world oil prices had already begun to fall as a result of a price dispute between Saudi Arabia and Russia. The negotiations between the two countries reached a deadlock during the OPEC meeting in Vienna on March 6, 2020. The latter resulted in a significant oil surplus on the world market, which led to an unprecedented drop in oil prices, which had a negative impact, especially on the economies of countries that were heavily dependent on oil exports. The closure of the borders, as a result of the COVID-19 pandemic, led to low demand for oil. The international movement of people was temporarily suspended, airports and borders were closed, factories and other industrial enterprises were closed, as a result of which the oil crisis intensified.

In fact, in the early stages of the COVID-19 pandemic, global oil prices have already fallen by about 30%, the highest level in the global oil market since the Gulf War in 1991. However, oil prices began to rise gradually after an agreement was reached between OPEC members to reduce production [7].

The fall of world oil prices has become the main pipeline through which COVID-19 has affected oil-producing countries. While there were other factors, the

most important of these was COVID-19, which caused a sharp decline in gross demand as, as mentioned, the economies of China and other major countries were closed. To give an idea, it should be noted about 14% of world oil demand falls for China [4]. In recent decades, China has become the world's largest supply chain, and any disruption to its economy would inevitably have a negative impact on other countries economies.

The price of Brent crude oil fell from \$ 68.60 to \$ 19.33 per barrel between December 30, 2019, and April 21, 2020, which was unprecedented in recent decades. This was a loss of more than 70% of the value of one barrel. As for the American WTI oil, the price of the latter decreased from \$ 63.05 to \$ 16.94 per barrel during the same period. The decline, in this case, was about 73%. As a matter of fact, the energy market has experienced one of the largest shocks because of the coronavirus pandemic since the 1973 crisis. Thereby, the economies of countries dependent on oil exports were threatened by declining foreign exchange income, which was ensured by international oil sales. Hence, the full implementation of the state budget expenditures of those countries had become quite problematic. This situation was also reflected in the corresponding accounts of the balance of payments, which worsened during the crisis. The pandemic hit the oil-producing countries, which had small gold and foreign exchange reserves, as a result, forcing most of those countries to resort to attracting foreign loans to cover the budget deficit.

**The impact of the COVID-19 pandemic on global financial markets.** Since the outbreak of COVID-19, stock markets around the world have experienced unprecedented volatility, with total losses of about 12.35% of capital value or more than \$9 trillion from January to May 2020 [8].

It should be noted that the stock market situation was directly affected by external factors, as was the case with the 2008 global financial crisis. The stock market fluctuated sharply in response to the news of COVID-19 outbreaks in the United States from mid-February to early March 2020. The further fluctuations recorded in March-April 2020 were related to the policy decisions made by the US Government regarding the spread of the pandemic, which primarily concerned monetary and fiscal policy measures [1].

In the United States, which is considered the center of the global financial markets - the S&P 500, Dow Jones, and NASDAQ stock indexes fell sharply in early 2020, reaching their lowest level in March. In March 2020, the US stock market stopped trading four times in just ten days, which has been unprecedented since 1997 [12]. The Dow Jones index fell from 29,551 points to 18,591 points between February 12 and March 23, 2020. The negative margin was 10,960 points, which led to the loss of at least a third of the stock price. This was, of course, a huge loss for investors; it was the biggest drop since the 2008 global financial crisis. However, by the end of March 2020, the situation began to gradually improve. As of December 4, 2020, the value of DJIA reached 30,218, showing steady growth trends [13].

The S&P 500 stock index fell from 3387 points to 2277 points from February 19 to March 28, 2020, losing more than 34% of its net worth. In just one week, from February 24 to 28, 2020, the S&P 500 recorded its worst performance since 2011, losing at least \$5 trillion. However, since the end of March, it has shown growth trends, gradually restoring its former value [3].

As for another US stock index, NASDAQ, it also fell from 9,731 points as of February 2, 2020, to 6,686 as of March 16, 2020. The loss, in this case, was about 31%.

Stock indexes continued to rise In the United States and later around the world, as the US Senate adopted a \$ 2 trillion immediate assistance and economic stimulus package on March 25, 2020, to combat the effects of the coronavirus [18].

The stock markets of Hong Kong, South Korea, and Australia also fell more than 5% daily, while in China it was around 3% [7]. In the UK, the FTSE index fell by more than 10% on March 12, 2020, reaching its lowest level since 1987. As for the Japanese stock exchange, the decline in the stock index was more than 20% compared to the highest values of the latter recorded in 2019 [12].

**The impact of the pandemic on world trade.** In general, it should be noted that world trade has already tended to slow down long before the outbreak of the pandemic, back in 2019, amid international trade tensions and slowing economic growth. Global trade in 2019 decreased slightly, in physical terms, by -0.1%, after the 2.9% increase in 2018. Meanwhile, in 2019, world exports of goods fell by 3% to 18.89 trillion dollars in dollar terms. In contrast, the world trade of commercial services had increased in 2019. In particular, the growth of the latter's exports in dollar terms was 2% and amounted to \$6.03 trillion. However, the growth rates were slower than in 2018, when the growth of trade services was about 9% [11].

In the early stages of the pandemic, global trade was predicted to decline by 13-32% by the end of 2020, given that the COVID-19 pandemic would disrupt public life and normal economic activity around the world. At the same time, according to experts from the World Customs Organization (WCO), the decline caused by the pandemic was likely to exceed the volume of trade caused by the global financial crisis of 2008-2009. However, despite such pessimistic expectations, the world trade decline was only 8% by 2020 [19].

As for the estimates of the expected recovery of international trade in 2021, they were quite uncertain, largely dependent on the frequency of new outbreaks of coronavirus, the effectiveness of state policy on their response. It should be noted that in the conditions of the pandemic, the predictions of world trade indicators were carried out in two different scenarios:

1) relatively optimistic, with the prospect of a sharp decline in trade, which will be followed by its recovery from the end of 2020;

2) pessimistic, with a sharper decline, with the prospect of a longer recovery.

In the case of an optimistic scenario, the recovery would be fast enough to ensure the pre-crisis level of trading volumes, while in the case of a pessimistic scenario, a partial recovery was planned. By the way, it should be noted that after the global financial and economic crisis of 2008-2009, world trade did not regain its pre-crisis growth rates.

The behavior of manufacturers and consumers in the case of a pandemic crisis, as well as their attitudes towards the pandemic, have played a crucial role in the recovery of the world economy and trade. If enterprises and consumers viewed the pandemic as a short-term and one-time shock, then demand for investment and consumer goods would return to pre-crisis levels immediately as the pandemic subsides. On the other hand, if the outbreaks were prolonged, the businesses and households would spend their money more carefully, and, accordingly, the recovery would begin much later.

According to the predictions for 2020, if the pandemic was effectively overcome and world trade began to expand, then in many countries, in the case of an optimistic scenario, in 2021 there would be a 24% increase in trade, and in the case of a



pessimistic scenario, a 21% increase in trade. Given that the degree of uncertainty is still quite high, the expected results will be both higher and lower than these predictions. Another feature that differentiates the pandemic crisis from the financial and economic crisis of 2008-2009, was the disruption of global value chains. The latter became problematic immediately after the outbreak of COVID-19 in China, taking into account the huge role of that country in the value chain of the world economy. First of all, China is the largest producer in the field of machine building and the closure of Chinese factories meant the collapse of the supply chain around the world. To get an idea, we can mention that in 2019, China's exports to the world market were \$2.1 trillion. The lockdown of Chinese enterprises also led to a severe shortage of individual components of high-tech products and difficulties in finding new suppliers. It should be noted that trade indicators have declined faster, especially in areas with complex value chains, particularly in the electronics and automotive industries. According to OECD data on trade value-added, the share of foreign value-added in electronics exports for the United States was about 10%, for China - 25%, for Korea - 30%, for Singapore - 40%, for and Mexico, Malaysia, and Vietnam more than 50% [11]. The importation of fixed assets was interrupted by the Chinese "lockdown", which was later used in many countries in Europe and North America. Supply chain management is now a major challenge, both globally and individually, requiring a balance of risks, costs, and benefits. The services trade was also directly affected by the COVID-19 pandemic due to restrictions on transport communications and tourism. Although these services are not included in the World Trade Organization predictions of trade of goods, it should be noted that most trade of goods is impossible without the provision of related services (eg. transport, warehousing, etc.). Moreover, services in this area are also interconnected. For example, air transport is intertwined with cultural, sports, and leisure activities, which have either been completely canceled or significantly reduced due to the pandemic.

Of course, a number of services have suffered the most from the pandemic. In this regard, tourism and aviation have been the main targets of coronavirus impacts. The World Tourism Council (WTTC) estimates that the loss of the global tourism industry will reach \$22 billion by 2020. At the same time, the tourism services market lost more than 50 million jobs, shrinking by about 25 percent year on year [16]. As for world air transportation, according to preliminary estimates, it has already suffered a loss of about \$200 billion in March-April last year due to the closure of air corridors in many countries around the world. In the most optimistic scenario, if the restrictions were lifted only after the summer months, the impact of the crisis would be more significant, endangering a total of 197.5 million jobs. The impact of the long-term restrictions could also undermine the sector's \$5.54 billion investment in global GDP, which means a 62% drop compared with 2019. Meanwhile, in the worst-case scenario, international investment will record a 73% worldwide, and domestic investment will have a 64% decline.

According to the International Civil Aviation Organization (ICAO), in the first half of 2020, compared to their initial forecast, the total reduction of seats offered by airlines would increase from 47% to 58%, or from 503 to 607 million passengers and the loss of operating revenues of airlines from \$112 billion to \$135 billion. However, according to the actual results of 2020, the losses of global airlines were about \$371 billion, the reduction of passenger traffic was about 2.7 billion people and the reduction

of seats sold by 50% in 2020 [17]. As we can see, the actual losses were greater than expected.

However, it should be noted that some sectors of the economy have also benefited from the crisis. One of them is IT services, the demand for which increased sharply during the pandemic, as many companies allowed their employees to work remotely, and in addition, people widely used online shopping services.

Referring to the predictions of possible global economic losses due to the pandemic, it should be noted that as of March 2020, based on various scenarios of negative impacts of the pandemic, the total global economic loss was estimated at \$2 trillion, which, however, was already underestimated as of April.

Due to the effects of the pandemic on the world economy, 3 possible scenarios for future economic developments were considered:

1. "Light scenario" or reorganization of the system (2-3 months quarantine, as it happened in Wuhan, China), which will be followed by economic and social activity, mobility, V-shaped recovery of markets. Many countries' economies will experience recessions, as well as there will be high risks of a corporate bond default, mainly in the more globalized sectors (transport, tourism, leisure, etc.).
2. "Scenario of moderate severity" (quarantine for up to six months) with the maintenance of basic life support systems (including global information and financial infrastructure, assuming a rather difficult L-shaped recovery of the economy in the next 2-3 years. This scenario implies a deep decline of financial, healthcare, social, and communal services in several large countries, the nationalization of the latter, and other politically sensitive sectors. Meanwhile, if this scenario is implemented, commodity markets will not recover in the medium term, and the collapse of the financial system could lead to hyperinflation.
3. A "Severe or catastrophic scenario" is comparable to the American Great Depression of the 1930s. This scenario would be possible if full quarantine and state of emergency were maintained for more than 6-9 months (depending on the nature of the pandemic). Such a prospect would be especially catastrophic for the United States, where the state budget deficit is many times higher than it was in the 1930s (when the dollar was linked to gold) and at least twice as high as in 2009. It is rather comparable to the level of the state budget deficit during the Second World War. At the same time, the balance sheet of the Federal Reserve has never doubled in the history of one year, so the consequences of such a monetary expansion can have serious consequences for both the US and the world economy as a whole. The implementation of this scenario would threaten to create a complex situation of hyperinflation (as it happened in Germany in the early 1920s or in Russia in 1992) [10].

#### 4. Conclusion

The main feature of the crisis caused by the pandemic is the emergence of a dual shock, both in terms of supply and demand. This is truly unprecedented for the global economy, resulting in an unusual amount of economic turmoil and unpredictability of future developments.

Naturally, the levels of economic decline varied from country to country, depending on the nature of the economy, the impact factors and level of the pandemic, the nature of the restrictions applied, the scope of support measures and targets. In particular, the average decline in Central and East Asia in 2020 was -2.9%, and the decline in global GDP was -3.1%. As for the European countries, the level of economic decline in some countries was quite high. Although a full assessment of the effects of the pandemic was initially unpredictable, the effects of the global economic crisis could persist for a long time, likely to cause major structural changes in the world economy.

In conclusion, it should be noted that judging by the trends in the world economy since the end of 2020, the world economy has entered a phase of recovery, the first of the above scenarios have been implemented, namely, the V-shaped recovery of the economy and this is evidenced by the high dynamics of economic growth of 5.9% in the world in 2021, as well as the predictions of international organizations that in 2022 the global economic growth will be 4.4% [21], which was downgraded up to 3.6% due to Russian-Ukrainian conflict [21]. In addition to the immediate humanitarian consequences, the war will greatly delay the recovery of the world economy, slowing economic activity and boosting inflation. Prices for food products and energy carriers have risen rapidly and as a result, the most vulnerable parts of the population suffer the most, especially in low-income countries.

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