

# IMPACT OF COVID-19 PANDEMIC ON THE GLOBAL ECONOMY AND FUTURE PROSPECTS: A SYSTEMATIC REVIEW OF GLOBAL REPORTS

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## ABSTRACT

**Propose:** This study aims to investigate the economic practices and fluctuations due to the outbreak of the Covid-19 Pandemic in 2020 and future impacts in international economies. **Method:** This study is based on the variable "Low Probability - High Impact" that is studied by methods commonly used in future studies, namely: heuristic approach, deterministic approach, probabilistic approach. In addition, systematic and deductive reasoning method by analyzing the reports received by some countries, institutions, international organizations and research centers interested in this regard. **Results:** Reports showed that the economic crisis caused by the Covid-19 pandemic have major impacts on the global economy and significant changes will occur in the long run. Where the epidemic differs economically because it continues to hit hard the major economic countries and the countries most affected include the G7, in addition to China. These countries represent 60% of global supply and demand (GDP), 65% of global manufacturing, and 41% of global industrial exports. **Future implications:** The COVID-19 will continue to spread even after the emergence of treatment, because the treatment goes through many stages, including discovery and testing, production and distribution, and this means that the virus will keep pace with the global economy until 2021 and perhaps more. The world will try to move to repair the economic damage caused by the COVID-19. Economic reforms must be based on the current structures of globalization in order to succeed. Developing countries must pay attention to the need to build regional blocks based on sound foundations because they will be a protective shield for them in the long term for the effects of all variables based on (low probability - high impact). There will be a major change in international relations, and this will appear in new organizational forms, services and economic, the social role will be the solid force of these alliances. **Originality/Value:** This paper helps the world prepare to accompany the COVID-19 virus with a minimum for the next year 2021. Its effects will remain for many years, especially in developing countries that the Vaccine will be delayed receive. Therefore, strict health and economic precautions must be taken to mitigate the effects of the virus on its citizens and economy.

**Keywords:** Covid-19 Pandemic, Economic Practices, Economic fluctuations, Global Economy, Future Economy, Impact Covid-19.

## 1. INTRODUCTION

Starting at the end of 2019, the global economy is in a state of uncertainty, due to the health crisis caused by the Coronavirus. This forced many countries to implement a comprehensive closure of their economic activities, which caused economic challenges that differed from previous economic crises the world went through. As the rapid spread of the virus, the

severity of its impact and the inability to limit its spread was the main factor in the current global economic crisis [1, 2].

The main challenges caused by the Coronavirus are the difficulty in determining the economic, social and political effects, its spread throughout the world, especially the countries driving the global economy and the inability to predict the time period for its end. The spread of the virus in all geographical regions of the world and the threat to the whole world caused many

economic difficulties, whether local or international, which led to a decrease in the growth rate, an increase in the rate of inflation and unemployment [3, 4].



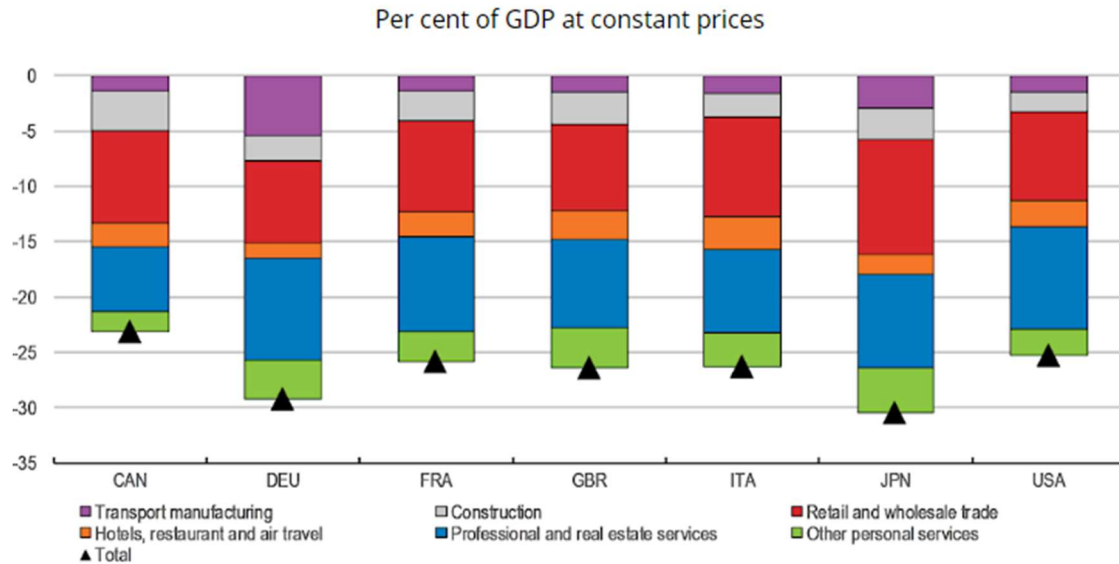
(Source: [www.worldometers.info/coronavirus](http://www.worldometers.info/coronavirus))

Figure 1: Cases of COVID-19 around the World

Based on figure 1 and 2, the major impact of the emerging coronavirus pandemic at the global and regional levels and its implications in all aspects of life, especially the economic aspect that we address in this study, is clear to us. It is necessary to mention here that, these impact and implications are continuously increasing every day [5, 6].

The Corona epidemic crisis has exacerbated economic inequality and created many obstacles and challenges facing governments and business owners, but in return, it provided unique opportunities to address them. The US site "World Economic Forum" published

a report polling 40 experts from prominent economists on paths to rebuilding the economy and ways to recover after the decline of the Corona pandemic. The report identified 3 main challenges facing governments and business leaders during the global economy recovering from the negative effects of the epidemic: reformulating economic policies to reduce economic inequality, improving social mobility, identifying new sources of economic growth, and align new goals with economic performance [7].



(Source: OECD 2020. Evaluating the initial impact of Covid-19 containment measures on economic activity)

Figure 2: The potential initial impact of partial or complete shutdowns on activity in the G7 economies

This study aims to determine the effects of the COVID-19 pandemic on both international and local economies. This study is based on investigating and analysing the reports received by the United Nations Organization, the International Monetary Fund, the Arab Monetary Fund, the World Health Organization and other official reports approved by some countries, institutions, international organizations and research Centre's interested in this regard. It should be taking into consideration that some difficulties to expect economic fluctuations in such situation which is continuously getting worse and statistics says that time of ending this pandemic is not yet.

## 2. METHOD

### 1.2. Theories

Despite the increasing attention that future studies have received at the present time, theoretically and practically by economic, social, political and other researchers, their methodology and research tools are vaguely defined. These studies are still the subject of widespread debate among various current and future schools of thoughts. Whatever it is, a set of specific considerations for the methodology of the future study, in both its total and partial parts, can be classified as follows: defining the framework of the future study; providing the information base in the field of study; the temporal orientation of the study; theoretical directional studies;

ideological affiliation of the researcher in the nature of the study [8, 9, 10, 11].

This study relies on the variable "low probability - high impact" because the variable includes a certain phenomenon that has a great impact (Corona virus and its impact on the global economy) as the expectations for this virus were low, but when it occurred it had an impact on all countries of the world and aspects of life in general and economic in particular. [12, 13]. This variable is divided into three modes:

1. Black Swan model; It is the definitively unexpected event. Thus there are no plans to confront it, this does not apply to the Coronavirus, for which there are quite a few scientific studies that have predicted it [14, 15].
2. The expected model without being ready to face it [16]. That is, expected, but there are no prior preparations to confront it, which applies to Corona.
3. The expected model and ready to face it. This does not apply to coronavirus [17].

### 1.3. Data collection

A systematic and deductive reasoning method was used to conduct this study by reviewing the latest reports of United Nations Organization (UN), International Monetary Fund (IMF), Arab Monetary Fund (AMF), World Health Organization (WHO) and other official reports approved by some countries, institutions, international organizations and research centres

interested in this regard. Reporting the economic growth for some countries including both developed and developing countries to prove the impact of Covid-19 and economic changes which was reported and analysed as part of this study. In addition, projections of the world outlook economics for both developed and developing countries were investigated during the last two years 2018-2019 and the prediction of 2020-2021 comparing to the change after the pandemic.

#### 1.4. Data Analysis

Based on secondary data of international reports, the differences between expected data and real data after the pandemic was compared and analysed. Analysing the data based on systematic approaches described the changes in GDP and economic growth for most advanced economies, emerged markets, and developing the country's growth. Writing the results and conducting the discussion of the reports by using the narrative method exploring the important changes and numbers of differences in related economics, GDP and expectations of the future effects of the Coronavirus on global economies. Finally, choosing a systematic approach to conduct this study was due to the efficiency of this method to identify and generate consistent and optimum results.

### 3. RESULTS AND DISCUSSION

#### 1.5. Mankind and major shocks

By tracing human history, we notice that the human mind was ultimately able to overcome disasters and crises, whether (epidemiological - economic - political - environmental), and the ability to adapt to new life after the occurrence of the disaster or crisis. So that human can restore the structures of life to preserve four great fundamentals in human history despite all the disasters and twists that humanity has gone through, namely:

1. Preserving human life: the evidence is the continuous increase of the world's population despite all the diseases, wars and disasters that has been experienced.
2. Scientific development: Man continues to research, develop and continuously change in his life, especially after the occurrence of disasters or calamities and crises. He seeks to restore his life to its natural course with research and readiness to face similar risks and crises in the future with practical and scientific solutions that enable them to finally get rid of them.

3. Communication between societies: man always strives during every history working to develop communication between him and other societies, and to bring distances closer through the use of animals in transportation, flying, and even to cancel them through modern communications and Internet networks.
4. Relationships between man and mankind (and between society and the other society) or between man and nature: it is a dynamic, continuous relationship rooted in human nature either through conflicts, disasters, epidemics and pollution or through cooperation, use, exploration and development [18].

Based on the foregoing, the next international scene after the Coronavirus (Covid-19) may enter the greatest of the aforementioned trends in some meandering or delay. It may produce appearances that humanity does not know, but it will continue in the four directions mentioned above and will not budge from continuing the march. The population increase will not stop (when comparing the number of births with the number of deaths even with Corona) and the scientific accumulation will not stop (the human mind is by nature anxious and will not settle at the forefront of anything new, but will follow it for understanding, adaptation and even employment). The communication networks between individuals will not recede. Societies, but any hernia that affects them will be corrected quickly. Finally, is the duplication. The historical conflict and 'differences' between man and mankind and between them and between nature and beyond will not stop [19, 20].

#### 1.6. The Impact of the Covid-19 Pandemic On Economic Indicators

The Covid-19 pandemic prompted the world to face a new financial crisis with a greater impact than the 2008 financial crisis. It has plunged the world economy into a deep recession [21]. The rapid spread of the Corona virus represented a painful blow to the global economy that had begun to witness a slight recovery and recovery from the previous financial crisis, as this crisis will add momentum to some of the changes that have occurred in the global economy. The damage depends on the speed and effectiveness of the government's policy to contain Infection.

The IMF has also indicated that it will issue a major revision soon, but even this first round of reviews may have been very optimistic.

It included the widely held assumption that the recession in the first quarter would be immediately compensated in the second quarter, with growth likely to be negative. In the first quarter of 2020, with a greater impact than the financial crisis of 2008, it has entered the world economy in a state of severe recession [21]. UNCTAD indicated that there has been a slowdown in the growth rate of the global economy to more than 2% for this year, which could cost the global economy about one trillion dollars, contrary to what was expected in September 2019, that is, the world is on the threshold of a severe global economic recession [22].

There were expectations that the world economy would see steady growth in the year 2020. The International Monetary Fund for the

month of January of the year 2020 expected growth of 3.3%, an increase of 0.4% compared to January 2019, which witnessed economic growth of 2.9%. There was also a lot of optimism about the great growth of the global economy during the year 2020 based on many reasons, including: The Trade Agreement (first stage) between the United States of America and China, which reduced the impact of Britain's exit from the European Union without an agreement. But because of COVID 19 pandemic spread very quickly as a major shock to the global economy, as the OECD recently cut its 2020 growth forecast to more than half from 2.9% to 1.5% [23].

Table 1: Selected Economies Real GDP Growth

Source: International Monetary Fund, World Economic Outlook, August 2020 Update.

	2018	2019	Projections		Difference from April 2020 WEO Projections 1/	
			2020	2021	2020	2021
<i>Argentina</i>	-2.5	-2.2	-9.9	3.9	-4.2	-0.5
<i>Australia</i>	2.8	1.8	-4.5	4.0	2.2	-2.1
<i>Brazil</i>	1.3	1.1	-9.1	3.6	-3.8	0.7
<i>Canada</i>	2.0	1.7	-8.4	4.9	-2.2	0.7
<i>China</i>	6.7	6.1	1.0	8.2	-0.2	-1.0
<i>Egypt 2/</i>	5.3	5.6	2.0	2.0	0.0	-0.8
<i>France</i>	1.8	1.5	-12.5	7.3	-5.3	2.8
<i>Germany</i>	1.5	0.6	-7.8	5.4	-0.8	0.2
<i>India 2/</i>	6.1	4.2	-4.5	6.0	-6.4	-1.4
<i>Indonesia</i>	5.2	5.0	-0.3	6.1	-0.8	-2.1
<i>Iran 2/</i>	-5.4	-7.6	-6.0	3.1	0.0	0.0
<i>Italy</i>	0.8	0.3	-12.8	6.3	-3.7	1.5
<i>Japan</i>	0.3	0.7	-5.8	2.4	-0.6	-0.6
<i>Kazakhstan</i>	4.1	4.5	-2.7	3.0	-0.2	-1.1
<i>Korea</i>	2.9	2.0	-2.1	3.0	-0.9	-0.4
<i>Malaysia</i>	4.7	4.3	-3.8	6.3	-2.1	-2.7
<i>Mexico</i>	2.2	-0.3	-10.5	3.3	-3.9	0.3
<i>Netherlands</i>	2.6	1.8	-7.7	5.0	-0.2	2.0
<i>Nigeria</i>	1.9	2.2	-5.4	2.6	-2.0	0.2
<i>Pakistan 2/</i>	5.5	1.9	-0.4	1.0	1.1	-1.0
<i>Philippines</i>	6.3	6.0	-3.6	6.8	-4.2	-0.8
<i>Poland</i>	5.3	4.1	-4.6	4.2	0.0	0.0
<i>Russia</i>	2.5	1.3	-6.6	4.1	-1.1	0.6
<i>Saudi Arabia</i>	2.4	0.3	-6.8	3.1	-4.5	0.2
<i>South Africa</i>	0.8	0.2	-8.0	3.5	-2.2	-0.5
<i>Spain</i>	2.4	2.0	-12.8	6.3	-4.8	2.0
<i>Thailand</i>	4.2	2.4	-7.7	5.0	-1.0	-1.1
<i>Turkey</i>	2.8	0.9	-5.0	5.0	0.0	0.0
<i>United Kingdom</i>	1.3	1.4	-10.2	6.3	-3.7	2.3
<i>United States</i>	2.9	2.3	-8.0	4.5	-2.1	-0.2

After the spread of the Corona virus, individuals and countries sought to work home quarantine to prevent its spread, which caused a decrease in consumption, stopped movement internally and externally, causing a crisis in several sectors, including tourism, production, tourism, and services, small and medium factories.

In addition to the decline in global stock markets, weak demand, increased debt, high unemployment, low average income, and the collapse of oil prices, which made the world in the worst humanitarian crisis in modern history and threatens a wave of severe recession.

The most affected countries are the oil-exporting countries as well as the commodity-exporting countries. These countries will lose more than 1% of their growth, in addition to those that have strong economic relations with countries that will be greatly affected by the economic shock. Countries like Canada, Mexico, Central America in addition to Asia and the European Union slowed low or negative growth, ranging from 0.7% -0.9%. Likewise, those with strong financial ties with China may be more likely to be affected by the Corona crisis on its economy [24].

The spread of the Corona virus crisis has had a severe impact on financial markets, as credit has deteriorated globally. These developments have increased the risk of pressure from large companies if risk levels increase to high levels, and the bonds of many of the companies listed are classified as BBB due to the spread of the virus. It will negatively affect foreign investment flows.

With the epidemic scenarios ranging from short-term stability to year-round persistence, the negative pressure on foreign direct investment will be -5% to -15% (compared to previous forecasts that anticipate marginal growth in the direction of foreign direct

investment for the period 2020-2021. The impact will be very negative on foreign direct investment in countries most affected by the epidemic. Thus, influence of the investment is prospected in these countries.

On the level of the Arab countries, it declines in the potential global demand, which may not be less than 50 percent, including all Arab oil-exporting and importing countries. This will be reflected in the levels of external demand that is responsible for generating 48 percent of GDP. The potential decline in oil and non-oil exports, in particular the Arab economies, will be affected by the slowdown in demand among a number of their trading partners, as the countries affected by the virus are currently considered one of the most important trade for the Arab countries as they absorb 65 percent of Arab exports.

The continued spread of the virus will damage many sectors in the Arab countries. The most important of which are the productive services sectors, especially the tourism, transport, and internal and external trade sectors. It will also have an impact on some other sectors such as manufacturing.

The oil exporting countries are affected by fluctuations in the global oil markets, which are witnessing a decline in the levels of oil demand growth. As a result, the activity of a number of economic sectors used for fuel affected by the effects of the spread of the virus and the conditions of imposing a ban on the movement of individuals inside and outside the borders in light of markets controlled by increasing the quantities of oil supply. This will result overall, an expected decline in world oil prices in 2020, which could also affect the extractive sector and ultimately lead to a severe recession.



Table 2: Overview of the World Economic Outlook Projections

Source: International Monetary Fund, World Economic Outlook, August 2020 Update.

	<i>Year over Year</i>				<i>Difference from April 2020 WEO Projections 1/</i>	
	<i>Projections</i>					
	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>
<b>World Output</b>	<b>3.6</b>	<b>2.9</b>	<b>-4.9</b>	<b>5.4</b>	<b>-1.9</b>	<b>-0.4</b>
<b>Advanced Economies</b>	<b>2.2</b>	<b>1.7</b>	<b>-8.0</b>	<b>4.8</b>	<b>-1.9</b>	<b>0.3</b>
<b>Emerging Market and Developing Economies</b>	<b>4.5</b>	<b>3.7</b>	<b>-3.0</b>	<b>5.9</b>	<b>-2.0</b>	<b>-0.7</b>
<i>Emerging and Developing Asia</i>	6.3	5.5	-0.8	7.4	-1.8	-1.1
<i>ASEAN-5 5/</i>	5.3	4.9	-2.0	6.2	-1.4	-1.6
<i>Emerging and Developing Europe</i>	3.2	2.1	-5.8	4.3	-0.6	0.1
<i>Latin America and the Caribbean</i>	1.1	0.1	-9.4	3.7	-4.2	0.3
<i>Middle East and Central Asia</i>	1.8	1.0	-4.7	3.3	-1.9	-0.7
<b>Memorandum</b>						
<i>Low-Income Developing Countries</i>	5.1	5.2	-1.0	5.2	-1.4	-0.4
<i>World Growth Based on Market Exchange Rates</i>	3.1	2.4	-6.1	5.3	-1.9	-0.1
<b>World Trade Volume (goods and services) 6/</b>	<b>3.8</b>	<b>0.9</b>	<b>-11.9</b>	<b>8.0</b>	<b>-0.9</b>	<b>-0.4</b>
<i>Advanced Economies</i>	3.4	1.5	-13.4	7.2	-1.3	-0.2
<i>Emerging Market and Developing Economies</i>	4.5	0.1	-9.4	9.4	-0.5	-0.7
<b>Commodity Prices (U.S. dollars)</b>						
<i>Oil 7/</i>	29.4	-10.2	-41.1	3.8	0.9	-2.5
<i>Nonfuel (average based on world commodity import weights)</i>	1.3	0.8	0.2	0.8	1.3	1.4
<b>Consumer Prices</b>						
<i>Advanced Economies 8/</i>	2.0	1.4	0.3	1.1	-0.2	-0.4
<i>Emerging Market and Developing Economies 9/</i>	4.8	5.1	4.4	4.5	-0.2	0.0

The truth is that this is not the first time that epidemics have spread and the human and economic losses that accompany them. In 2003, the SARS virus also spread in China, but experts predict that this time the economic losses will be more severe as a result of the growing role of China in the global economy, as well as the harsh measures taken to limit the spread of the virus. The size of the Chinese economy increased from the sixth rank globally in terms of the volume of GDP in 2003 to become the second largest after the United States of America. According to the International Monetary Fund, China today is considered one of the most important drivers of growth in the global economy, as it individually contributed about 39% of global economic growth in 2019 [25].

In previous times, the impact on the global economy was limited compared to the expected negative economic effects due to the spread of the Corona virus because the affected countries - at that time - had little influence on the global economy. One indication that the negative economic effects of the spread of the new Corona virus are more severe

than the effects of previous epidemics. The new virus has severely hit many developed economies, including the Group of Seven and China. Countries affected by the outbreak of the epidemic this time contribute more than 60% of the world's total output, 65% of the industrial output, and 41% of the total manufactured exports. In addition, some of these countries such as China, United States, and Japan play a key role in global supply chains. Consequently, the expectations of the upcoming global recession are valid and clear.

There are three significant factors impacting the industrial sector during the pandemic. Firstly, the issues related to the production sector, where pandemic hits the most industrial production centers in the best economics' countries such as US, Germany and East Asia. Secondly, the issues related to the supply chain worldwide. Supply chains were disrupted and production in the main countries of export have been effected by the virus. Finally, issues related to the global demand where this sector is declining day after day and purchase power of people is limited.

Besides these three factors, there is another sector was completely stopped which is the entertainment and tourism sector. All of cinemas and theatres have been closed and many of tourism destinations have been banned by governments. These results of ban were expected related to preventing many of travels, airports, restaurants, gardens and many other entertainment places of opening to decrease the spread of the virus. Based on the statistics of the World Tourism Organization, international and local tourism declined sharply and ended to total ban and cancelation of flights which has resulted many loses almost between 30\$ to 50\$ billion in the tourism sector [26, 27, 28].

On the other hand, China has become the first world's exporter and the second importer since 2009. Due to the current situation of Chinese economic, there is an expectation to be slower and suffer in the medium term. As low economic activity in China is expected to greatly affect the volume of world trade [29]. It is not surprising that the global crisis of the spread of the new Corona epidemic casts a shadow over the Arab region, with its associated economic effects. Although Iran is the country most affected by the virus in terms of the number of infections in the region, many Arab countries such as the United Arab Emirates, Iraq, Bahrain, Kuwait and Egypt have announced a number of infections and deaths due to the spread of the virus [30].

In addition to the direct economic effects as a result of decisive measures taken by some Arab governments to limit the spread of the virus among its citizens and residents, it is expected that the Arab economies will be affected negatively through a decline in global economic growth rates for the reasons detailed in this report. The Arab countries are economically open and connected to the global economy through many channels, the most important of which are tourism and oil export revenues.

In addition, some Arab countries suffer from political divisions and military conflicts, as is the case in Syria, Yemen, Libya and Iraq which casts a shadow not only on these countries, but also places economic pressure on neighboring countries. Besides, as is the case in a crisis refugees in Jordan and Turkey, as well as low levels of foreign direct investment in the region by about 2%, according to estimates from one of the recently published studies [31].

Add to this the current developments of the chronic oil price crisis since mid-2014, which appeared to be a price war led by Saudi Arabia, which led to the drop in oil prices to unprecedented

levels during the past three decades (less than \$ 30 per barrel) [32]. In this context, we find that the spread of the Corona virus is expected to make matters worse, and to raise the economic cost in light of an area infested with geopolitical events, of course. As for tourism, incoming travel to the Arab region has stopped, as some Arab countries such as Kuwait have closed their air borders, while Saudi Arabia has suspended religious tourism to perform Umrah in an attempt to limit the spread of the virus. There are doubts about the ability of the United Arab Emirates to hold the International Forum, Expo 2020 Dubai, to be held next October.

Oil is the main component of the exports of many Arab countries, especially the Arab Gulf states. In light of the decline in global demand rates, especially from China, as well as the failure of the OPEC group to adhere to the decision to reduce oil production, in an attempt to control global oil markets, and stop the price of oil sliding to low levels. It is unlikely to recover oil prices in the coming period, especially after Saudi Arabia announced its intention increasing its oil production over the next two months to 10 million barrels per day. Consequently, in a region dependent on oil revenues, a decrease in the price of oil leads to a decrease in government revenues, which directly affects the financial space available to these governments in the event of an economic recession.

Governments should avoid resorting to protectionist policies that can exacerbate crises facing global value chains and add to already high levels of uncertainty. Even more important, governments should avoid imposing restrictions on exports of essential food and medicinal products, and instead work together to support increased production and ensure that resources flow to where they are most needed.

### 1.7. The economic repercussions

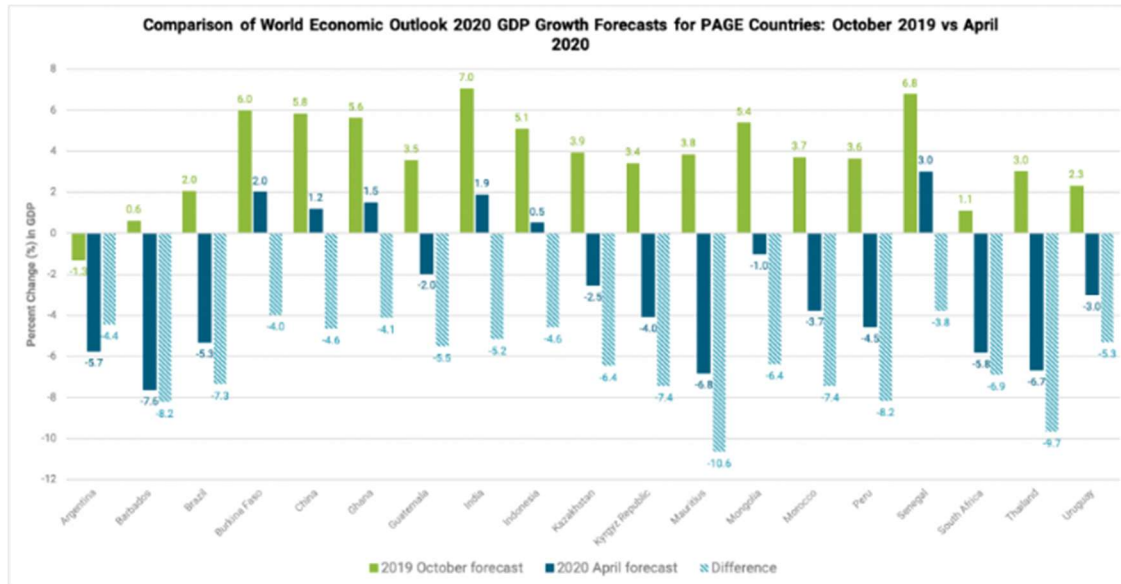
We see that the SARS virus in 2003 had effects of 2% on East Asian countries. The global crisis in 2008 was approximately 3% of the total. In Other side, the earthquake that struck Japan in 2011 cost the equivalent of \$ 235 billion, as its effects continued to 2017 [33].

The rhythm of rapid change makes the transmission of effects faster, and makes the ability to adapt weaker, in light of the turmoil that is left by a low-probability, high-impact variable, which is the Corona in our case. Given the historical precedents in the impact of epidemics on international economies, it has been found that SARS cost East Asian countries in the year 2003 about 2% of their GDP at the time. While the Japan earthquakes in



2011 cost Japan the equivalent of \$ 235 billion, and production stopped in some of its largest companies [34]. The effects of the earthquake remained until 2017, despite the great potential for Japan to adapt, there is no doubt that the effects of the Corona exceed that in the case of many countries.

The rapid spread works to speed up the effects and multiply the costs which applies to the variable (low probability - high impact) that represents the Coronavirus case. If we look at previous crises and epidemics and their impact on the global economy. As in Figure 3

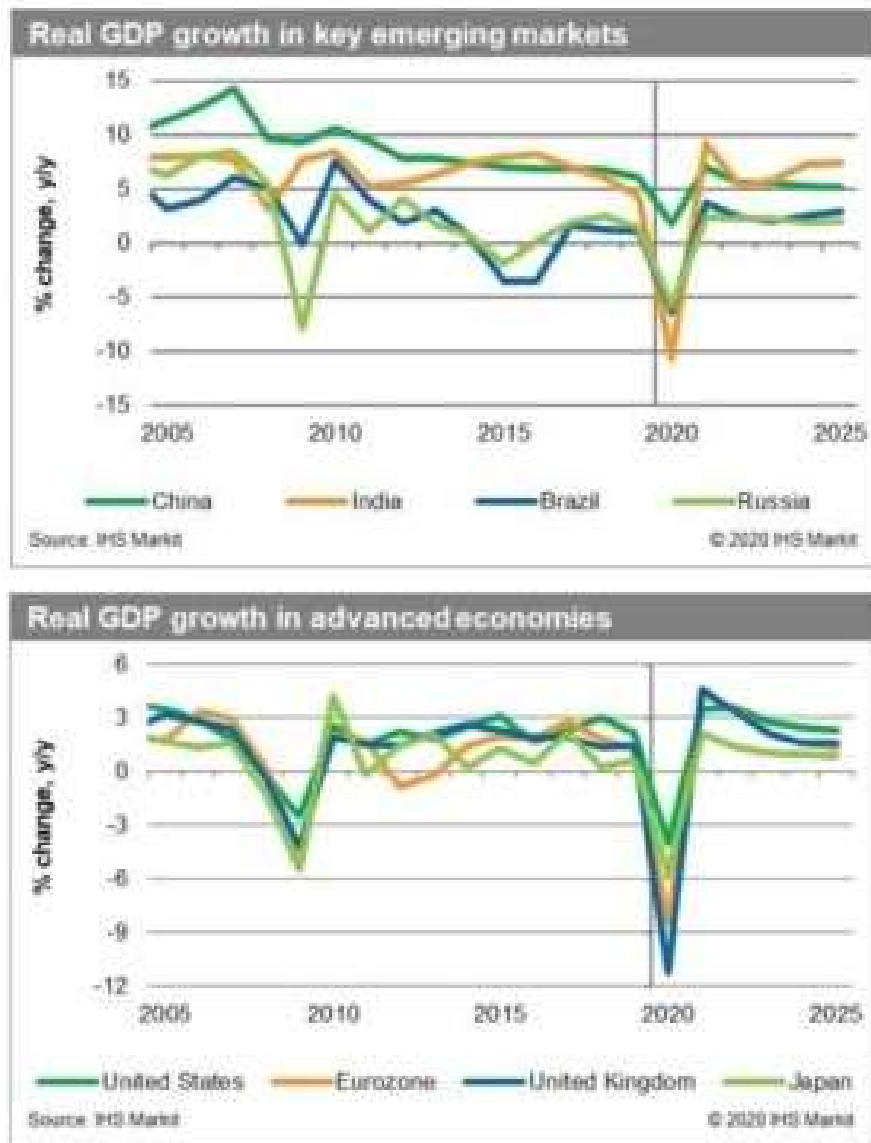


Source: World Economic Outlook

Figure 3: Different effect Covid-19 between PAGE Countries

We note that the repercussions of the crisis resulting from the Covid-19 virus epidemic are unequal between countries, whether (human, economic, service sector, production, tourism, banking and transport) or between oil states and other countries. As oil prices fell to 20.84, the lowest level since 2000, while US oil prices fell to minus, which is the maximum reduction in its history. For global stock exchanges, if we look at the US stock

exchange at the beginning and end of April of the year 2020, we see that the rate of decline is very high at the beginning and then it began to rise after the intervention of the US government with a billion dollars to help workers, where approximately 4.4 million workers applied for assistance from The government is due to stop working.



Source: IHS Markit

Figure 4: Real GDP growth in key emerging markets &amp; advanced economies.

However, other companies such as companies connected to the Internet (for entertainment, teleconferences, or distance education ... etc.) have made great gains, some of which increased by large proportions. For instance, Zoom (+ 146.1%), Netflix (+ 29.4%) and Amazon (+ 26.4%) were the highest ranked examples. While we find that the airlines have been severely affected because more than a hundred countries have suspended flights, which led to the suspension of more than a hundred thousand flights with the last week of April 2020. All this indicates the variation in levels of impacts from one economic sector to another [35, 36].

Among the indicators on which there appears to be a great deal of consensus is that the depth of the crisis resulting from the corona varies between countries as well. The strong economies, especially for the international poles, enable them despite the loss to bear the burdens of the crisis. But, this does not negate that some of them may know a state of economic recession estimated by the International Monetary Fund by about 3% during the rest of the year 2020. The Fund expects that economic growth in the year 2021 will reach 5.8 % globally in the event of access to a treatment for Corona [35]. For developing countries, poor countries, or those in periods of political instability,

the burden will be heavier, as the flow of foreign funds to them has slowed down significantly. Also, the costs of confronting the virus through health expenditures and business disruption make matters worse. As a result of the potential human and economic risks in these countries, investment in these countries began to narrow its activities.

During the period from the beginning of the corona crisis until late March, investors withdrew \$ 83 billion from these countries, which is the highest in the history of foreign investment, prompting 80 countries so far to come to the International Monetary Fund or the World Bank for assistance.

This may push these international institutions to deal with these countries through Special Drawing Right, similar to what happened in the 2008 crisis. In addition, the fact that many major central banks operate through bilateral swap lines with emerging market countries. International financial organizations are pushing this trend forward and expanding its scope, especially if the crisis is prolonged [37].

Especially since preliminary estimates indicate that the global economy needs to save more than \$ 10 trillion [38]. With the need to be aware that global economic growth rates from 2008 (the financial crisis) to 2020 did not exceed during the 12 years an average of 3% except in three years, namely 2010 (4.5%), 2011 (3.4%), and 2017 (3.3%), while the remaining years were below 3%. This means that the global economy was suffering from many problems before the Corona. Therefore it is not permissible to paint a future picture separate from the structure of the previous global economic system of Corona [39].

The data on economic dealing with the crisis indicate that the cooperative trend is more likely without denying that this trend implies a degree of competition in its guts. But financial, commercial and monetary pressures include everyone although their severity varies from one place to another. On the other hand, it was found that there is a positive relationship between the level of engagement in globalization and the rate of increase in per capita income of GDP. Other studies indicate that an increase of one point in the globalization index leads to an increase in per capita income by 0.33 points [40]. This is something that many countries will realize that will remain keen on globalization, especially in its economic dimension.

#### 4. CONCLUSION

Starting of the year 2020, the global economy seemed to be on the way to a good recovery. It would not be severely affected by the trade and political tensions that were going on at that time. Financial markets were thriving and growth prospects were optimistic. All this turned after the spread of the Corona virus in most countries of the world. Uncertainty prevails over the lifetime of the current economic crisis caused by the Corona virus. It is clear that this economic shock can cause long pain, and may leave deeper scars much larger than other epidemics that appeared after the Great Wars.

This epidemic is different in economic terms because it hit hard the major economic countries, the countries most affected include the Group of Seven G7, in addition to China. Taking into considerations to the continuous change of the medical cases, as of March 5, 2020, the ten most affected countries by the Corona virus were nearly identical to the list of the world's ten largest economies (excluding Iran and India). The United States, China, Japan, Germany, Britain, France, and Italy are among the top ten most affected by the disease.

In order to realize the scale of the disaster, if we take only the United States, China, Japan, Germany, Britain, France, and Italy, we will find that they represent 60% of global supply and demand (GDP), 65% of global manufacturing, and 41% of global industrial exports. These economies, especially China, Korea, Japan, Germany, and the United States, are part of global value chains, so their crises will produce a "supply chain" infection in all countries. Approximately. Therefore, the global manufacturing sector is likely to be affected in three ways:

1. Production will be hindered by the disruption, as the virus focuses on the heart of industrialization round the globe especially in (East Asia) and spreads rapidly to other industrial giants in the United States and Germany.
2. Direct supply shocks will be infected in the supply chain, as well as manufacturing sectors in the least affected countries will find it more difficult and more expensive to obtain industrial inputs imported from severely affected countries, and then from each other.
3. There will be disturbances in demand due to recessions and a decline in the overall economy, and due to the state of anticipation and delay in purchasing that controls consumers and investors.

At present the implications and impact of Covid-19 in our life are extensive and have many different consequences. These could be included in different categories as following:

1. Health system: the workload of the existing medical system financially and administratively.
2. The economic system: There are some issues regarding to economic system includeing slow manufacturing and production, supply chain disruptions, different loses in both national and international manufacturing, low of cash flow in current market, an important slowdown in the growth.
3. The Social System: the ability of social system to provide service, avoiding travel and cancelling national and international services, cancelling or postponing sports tournaments and big tournaments, different issues related to cultural, religious and political events, excessive tension between residents, family social distancing, distancing between friends and peers, hotels and restaurant closure and finally many of malls cinemas gyms and swimming pools closing.
2. Obtaining a drug to get rid of corona passes through the stages of drug discovery, testing, production on a large scale, and then distribution. This means that the corona will keep pace with the global economy for at least a year. This means the continuing negative effects that may cause severe economic pain, especially in poor countries for a longer or shorter period. According to the mechanisms of political, economic and social adjustment in each country. According to the speed, obtain a therapeutic drug and not meet it again in the next year 2021.
3. The profound shock caused by the Coronavirus alerts developing countries to the necessity of realizing that building existing regional blocs on sound foundations. It is a long-term protective shield for the effects of all "low potential and high impact" variants. Despite the shortcomings that have appeared on regional organizations in facing Corona, as is the case in the European Union. However, judging an EU job for a phenomenon that is no more than 4 months old is a hasty judgment. We believe that the European Union may respond to the crisis after absorbing the shock and surprise in its spread.
4. We believe that it will bring about major changes to the network of international relations that will press more strongly than it was before the Corona virus. His may appear in new international regulatory forms that adapt existing structures to suit this trend. Without denying the continuation of the conflict, even if it is less intense than the pre-Corona period. Accordingly, the economic and social service role of hard power may be the most compelling in the literature on international relations. Especially since it played a role in this aspect in many countries, albeit to varying degrees.

## 5. FUTURE IMPLICATIONS

After curbing the spread of the Corona virus, the world will act to repair the economic damage caused by Corona. Which led to a decline in per capita income in 170 countries. But it will only be able to do so by exploiting the existing structures of globalization while trying to continue national competition to push the paths of globalization towards the interests of the nation-state. This will bring some of the mechanisms of globalization into harsh bargaining that may permeate political turmoil without bringing it to the stage of direct confrontation by harsh means. However, some countries, such as those that depend heavily on oil, may suffer from more instability due to the common paralysis in economic life as a result of Corona on the one hand and the significant decline in oil revenues and may have to review their policies and projects:

1. There are countries that have been heavily dependent on tourism as one of their most important economic resources. But the end of April 2020 recorded losses in the tourism sector in the countries of the Middle East, estimated at 40 billion dollars. In addition to 14 billion losses for airlines, which are important sectors for central countries such as Egypt, Turkey and Iran.

## 6. STUDY LIMITATIONS

- This study is based on the variable "Low Probability - High Impact" studied by methods commonly used in future studies used by economic, social, political, and other researchers, but their methodology and research tools are vaguely defined.
- This study is based on secondary data from international reports.
- This study starts from 10 May 2020 until 30 November 2020.

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