

WORLD ECONOMY IN THE COVID-19 CRISIS

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Abstract: *The first pandemic in over a hundred years began as a health crisis and soon escalated into the global world economic COVID-19 crisis spreading at an unprecedented rate. The world economy has experienced 14 global crises since 1870. The COVID-19 crisis is predicted to be the deepest since World War II and more than twice as deep as the 2007-09 world financial crisis. The aim of the paper is to highlight the depth of the COVID-19 crisis and its consequences on economic activities worldwide. The research will show that the economic disruptions induced by the COVID-19 crisis are enormous. Many indicators of economic activity registered the sharpest declines in six decades. World production, trade, tourism, air traffic, oil consumption, foreign direct investments, employment and living standard fell drastically seeing record drops while some new global risks emerged. The seriousness and intensity of recession will depend largely on how long the downturn lasts as well as the effectiveness of policy responses. As the paper deals with the current crisis, all up-to-date data and research results present novelties in this field regarding the estimated versus realized effects of the COVID-19 crisis. The paper might be useful for policy makers and economic researchers as well as all other researchers given the connection and intertwining of economic and all other activities and areas of life.*

Keywords: *world economy, COVID-19, crisis.*