

The Economic Impact of Covid-19 in Europe

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Road Map

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 - Covid-19 Situation
 - Macroeconomic Indicators
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The Scope of the Presentation

- ▶ The Coronavirus, also known as COVID-19, which was first confirmed in Wuhan, Hubei province, China on December 8, 2019, has spread rapidly to many countries, including Europe.
- ▶ Consequently, Europe faces a challenging year in 2020, like much of the global economy.
- ▶ The European economy is projected to contract by around 6-10 percent in 2020 following Coronavirus's outbreak.
- ▶ **This preliminary study focuses on the real gross domestic product growth rate forecasts in Europe in 2020 and the European economy's possible recovery in 2021.**



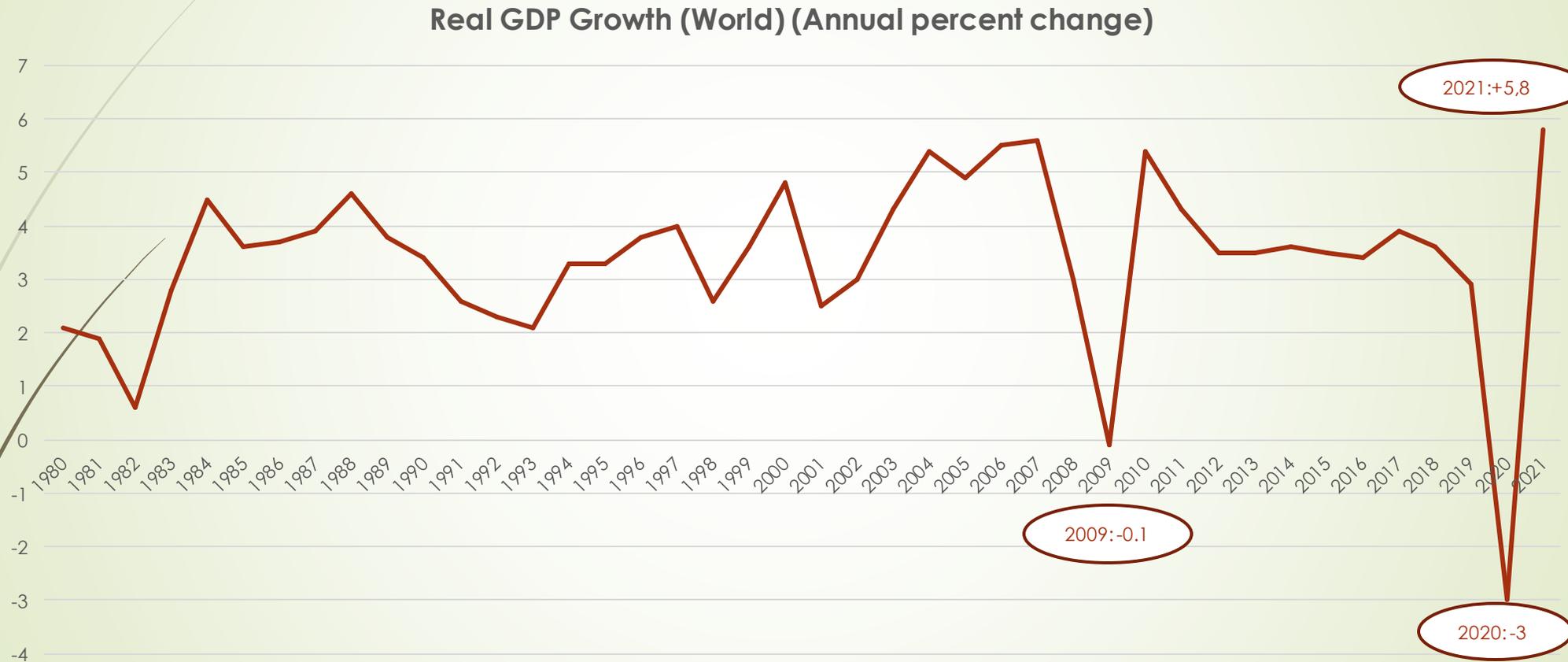
COVID-19 Situation

COVID-19 situation worldwide, as of 07.10.2020 (08:43 GMT):

- ▶ Coronavirus Cases: 36,076,895
- ▶ Deaths: 1,055,161
- ▶ Recovered: 27,168,518
- ▶ Active Cases (total Cases – recovered - deaths): 7,853,216, and approximately 67,809 (0.9%) of active cases are in serious or critical condition.

(source: worldometer)

Macroeconomic Indicators I: Real GDP Growth (World)



Source: World Economic Outlook (IMF)

Macroeconomic Indicators II: Real GDP Growth (Europe)

Real GDP Growth (Europe) (Annual percent change)



Source: World Economic Outlook (IMF)

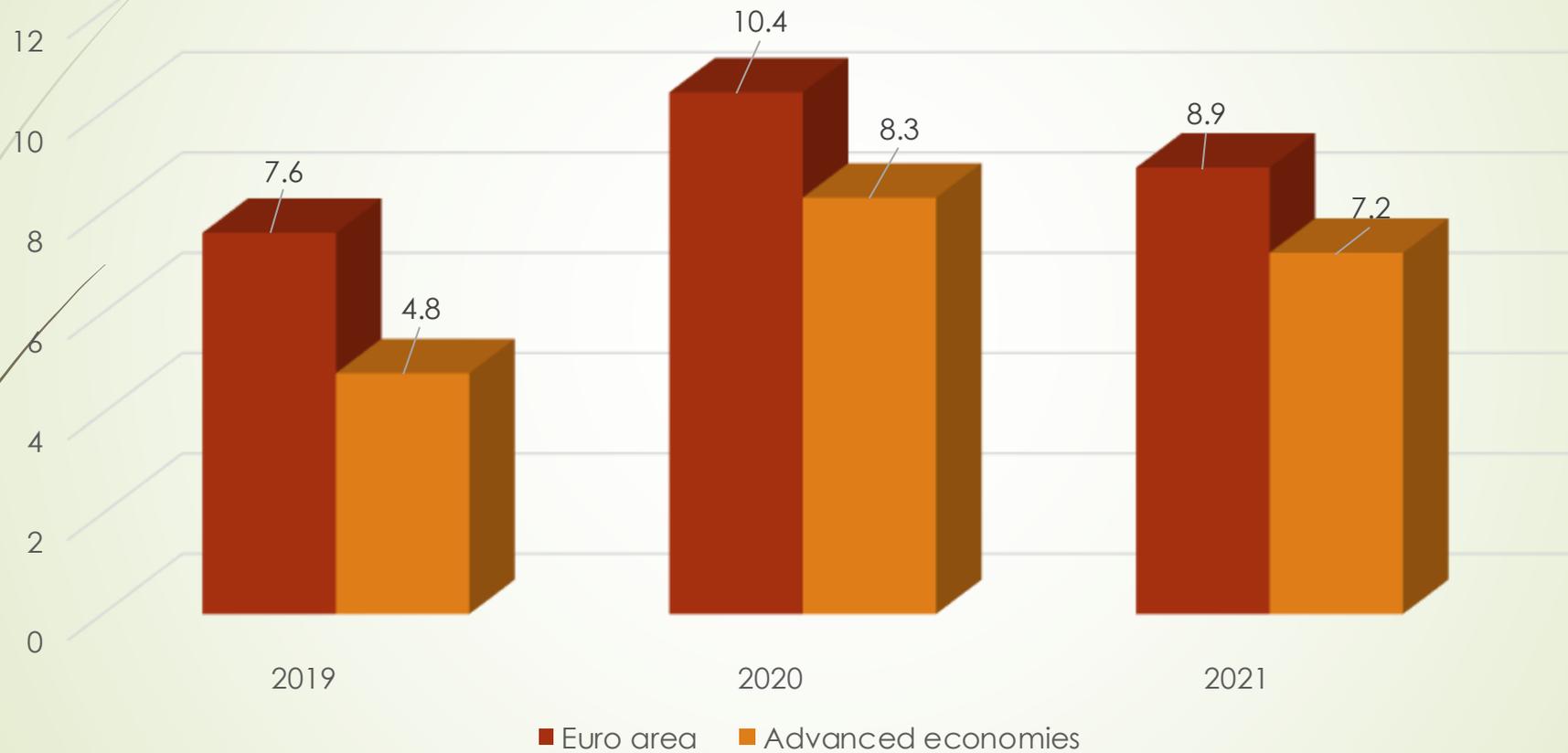
Macroeconomic Indicators III: Real GDP Growth

(Annual percent change)

	2019	2020	2021
Eastern Europe	2,4	-5,4	4,2
Western Europe	1,3	-7,3	4,5
Emerging and Developing Europe	2,1	-5,2	4,2
Europe	1,6	-6,7	4,4
Euro area	1,2	-7,5	4,7
European Union	1,7	-7,1	4,8
Advanced economies	1,7	-6,1	4,5
World	2,9	-3	5,8

Source: World Economic Outlook (IMF)

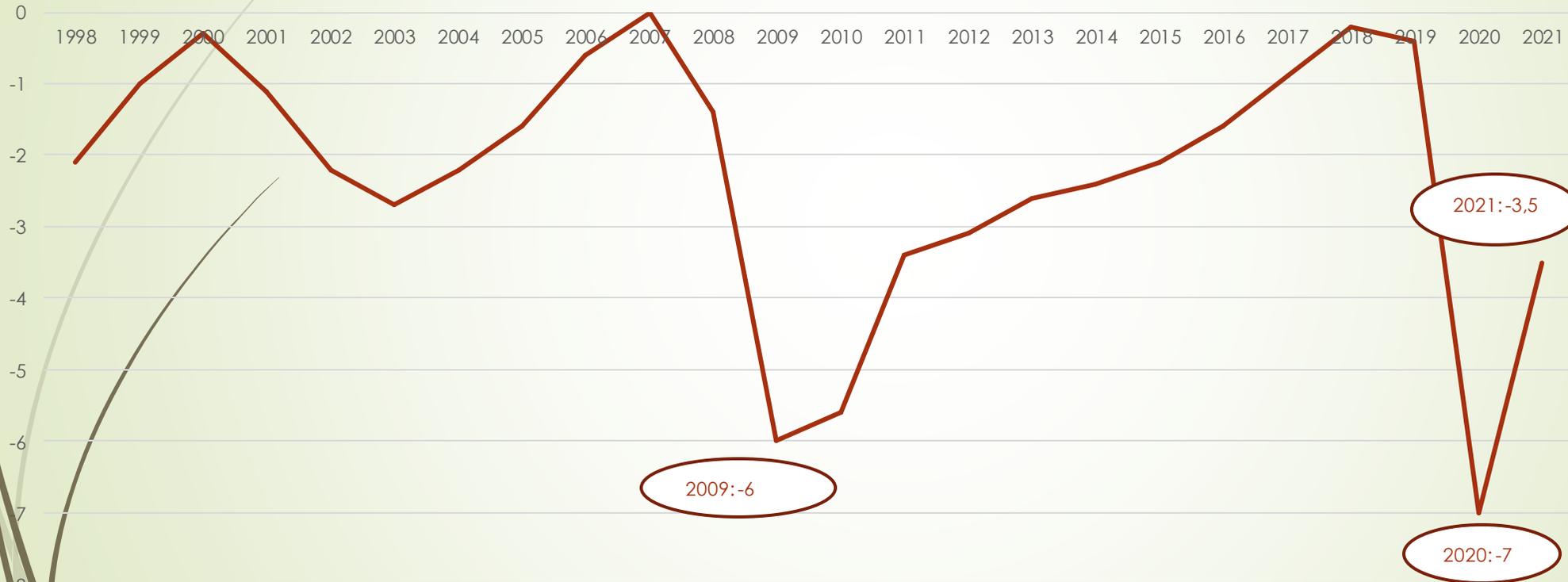
Macroeconomic Indicators III: Unemployment Rate (Percent)



Source: World Economic Outlook (IMF)

Macroeconomic Indicators IV: Net lending / borrowing (percent of GDP)

Net lending (+) / borrowing (-) is calculated as revenue minus total expenditure.



Source: World Economic Outlook (IMF)

Macroeconomic Indicators V: Net lending / borrowing (percent of GDP)

Net lending (+) / borrowing (–) is calculated as revenue minus total expenditure.

	2019	2020	2021
Emerging market and developing economies	-4,7	-8,9	-7,2
Europe	-0,4	-7	-3,5
Euro area	-0,7	-7,5	-3,6
European Union	-0,6	-7,2	-3,4
Advanced economies	-3	-10,6	-5,4

Source: World Economic Outlook (IMF)

Real Gross Domestic Product Growth Rate Forecasts In Selected European Countries

(Annual percent change)	2020		2021	
	min.	max.	min.	max.
Austria	-7,2	-4,9	4,1	5,2
Belgium	-7,4	-6,5	4,3	6,9
Bulgaria	-7,3	-3,8	5,1	6,1
Croatia	-8,5	-7,3	4,5	7,8
Czech Republic	-9,2	-6,9	4,4	7,6
Denmark	-6,2	-5,5	4,9	6,1
Estonia	-7,7	-6,8	5,6	7,9
Finland	-6,4	-5,8	3,0	3,9
France	-7,1	-6,5	4,2	7,5
Germany	-8,4	-6,0	4,9	6,0
Greece	-10,2	-9,1	4,9	8,1
Hungary	-7,1	-2,9	4,1	6,1
Ireland	-8,0	-6,7	5,7	6,5
Italy	-10,1	-8,9	4,5	6,6
Netherlands	-7,8	-6,3	3,1	5,2
Poland	-5,2	-3,9	3,9	4,8
Portugal	-8,2	-5,9	4,9	5,9
Romania	-6,1	-4,9	3,8	4,5
Russian Federation	-6,1	-5,1	3,1	4,9
Slovak Republic	-6,9	-5,5	4,9	6,8
Slovenia	-7,1	-8,2	5,1	6,7
Spain	-9,9	-8,9	4,1	7,2
Sweden	-7,1	-5,9	4,2	5,5
Turkey	-6,1	-4,4	4,6	5,3
United Kingdom	-8,3	-6,4	4,2	6,1
European Union	-7,9	-6,8	4,3	6,6

Source: Author's calculations.



Thank you!

