ECONOMIC IMPACTS OF COVID-19 PANDEMIC (COUNTRY AND GLOBAL PERSPECTIVE)

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Introduction

The pandemic of 2020 caught many by surprise. In spite of regional outbreaks of epidemics with lethal consequences such as SARS or Ebola, for about a century the mankind has not faced such a global pandemic as hit the globe during the first quarter of 2020. However, in the history, there have been other pandemics, which took the death toll of millions of people such as Black Death in 14th century, or the 1918 Flu[xxxv], which probably killed more people than the World War I taking place at about the same time (Learn, 2020). The experience shows that during these pandemic periods, mistakes were also made, such as the failure of people to socially distance, which we can learn from even today. During the Spanish flu, the spread of the virus was also caused by the migration of solders during the war. Thus, the past experience also documents that the spread of the virus can be contained by reduced mobility of population, both within individual countries and internationally. However, it is also equally clear that the containment measures aimed to reduce the mobility are also very costly, have substantial consequences on the economy of the country and create recessionary pressures.

The pandemic of SARS-COVID-19, which started in Asia and briskly spread around the world during the first months of 2020, led to the containment measures, which were aimed to reduce the spread of the virus. Most of effected countries and their health care systems were not prepared for the pandemic and the needed time to prepare their health care and public health systems for the increased numbers of patients suffering from the virus. The measures, which were introduced, included the shut-down of schools, services, public transportation and the switch to working from home in case of those jobs, where such a switch was possible. At the same time, non-essential businesses and jobs, which could not be carried out from home, were closed. Even though these measures were not implemented in individual countries in the same way and they were not introduced with the same abruptness,when first positive cases appeared, virtually everywhere they had harsh impact on the economy and brought an economic downturn, which is being compared to the Great Depression of 30th of 20th century.

The pandemic and the subsequent lock-down measures were associated with a negative demand as well as a negative supply side shock to the economy. On one end, the worsening consumer and business sentiment (both domestically and in the export destinations) brought by the pandemic led to the decrease of the demand for goods and services (perhaps, except for groceries, toiletries and pharmaceuticals), on the other hand, closed businesses and distorted supply chains led to the drop of the supply. The cumulative effect of both shocks led to the drop of economic activity and raised the urgent need for policy makers to introduce measures, which would mitigate economic consequences of restrictive epidemiological measures.

It should be acknowledged that introduced epidemiological measures largely succeeded to flatten the epidemiological curve, however, at the same time, they contributed to anabrupt and steep economic downturn. However, also economies of those countries, which did not introduce strict lock-down measures, were negatively affected.

These countries with "softer" approach to epidemiological measures (such as Sweden) have also faced a harsh economic downturn. This can be predominantly explained by the fact that current economies are closely interlinked and thus, the developments in their external environment strongly affect a given country. At the same time, it has been observed that households and businesses have changed their behaviour also in those countries, where the measures aimed to ensure social distancing and to reduce the mobility, were not strictly enforced, but in this regard, the authorities provided an advisory only.

As the containment measures have been lifted, the debate persists about the shape of the economic recovery. An even more discussed question is the spread of the second wave of pandemic, appropriate mitigation measures to be used and the impact of the worsening epidemiological situation on the economy. It is expected that after the pandemic is over, the global economy will change. It is crucial to consider the upcoming changes and to use the current challenges so as to encourage necessary adjustments and changes in the economy.

Also, the countries should focus on the preparation of their health care systems for the next wave of the pandemic. Obviously, this is very challenging especially for those countries, which are more populous, economically weaker, or both. In that regard, international cooperation and support are needed and should be provided.

The pandemic will not be over until the effective vaccination is available. In spite of the fact that the research focused on developing an effective vaccine is under way around the globe, it is too early to say, when the vaccine will be available. Also, it is not clear, if the vaccine allows to achieve permanent immunity for vaccinated individuals, or if there is the need for repeated immunisation. Nevertheless, it is important that countries not only order the vaccine, but also develop their healthcare and public health systems, so as they were prepared if there is an onset of a new pandemic in the future.[xxxv]

In this chapter, we provide insights into the economic impact of SARS-COVID-19 pandemic in the international context, review related statistical data, and present an overview of the forecasts and discussion related to the upcoming developments. We also look at the impact of the SARS-COVID-19 pandemic on changing media landscape and on individual types of media. We consider major foreseen changes, which current developments related to COVID-19 are expected to bring to our economies and to media.

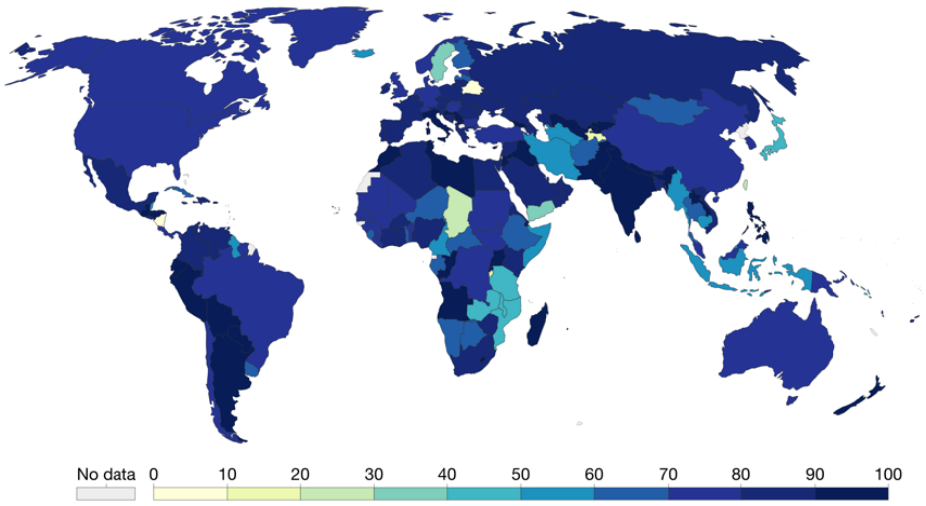
1. **Epidemiological measures to contain the COVID-19 pandemic and their economic impact**

The lock-down measures have been implemented gradually as the pandemic spread around the globe and as individual regions were affected by the virus. They started in China and South-East Asia, continued to be implemented in Europe, and then, moved to Americas and other parts of the world. The governments reacted to the pandemic with new expenditure programmes aimed to support local businesses and local employment and to limit the degree of disruption of economic networks in their countries. At the same time, they understood that due to harsh economic impacts of introduced measures, the extensive lock-down of the economies cannot continue without any time limits, or until the epidemiological situation is resolved. Thus, after several weeks/months of severe containment measures, the countries started to re-open their economies, at the same time, trying to control the epidemiological curve and to avoid the exponential growth of active cases. With the reopening of their economies, individual countries also started to re-open their borders. At the same time, the second wave of the pandemic has started in several countries, and it remains to be seen, how the situation will further develop. At the moment, it seems that countries try to avoid nationwide lock-downs. Thus, they redirect their measures on increased testing, positive case tracking and re-introducing some measures in those regions/areas, where local outbreaks and hot spots occur. Also, the data indicates that as the mobility of the population increased, in many countries, the age profile of COVID-19 positive cases has shifted towards lower age groups, which contributes to lower numbers of hospitalisations, critical cases and ultimately also related deaths as it was the case during the first wave of the pandemic.[xxxv] As pupils and students return back to schools in many countries, it is as yet unclear, how this will contribute to the spread of the virus and how it will affect the scope of the pandemic. Nevertheless, there is fear that as the numbers of active cases grow, a larger fraction of older population will also be affected, which can lead to medical systems to be overwhelmed and the death rates to increase as we could observe during the first phase of pandemic.

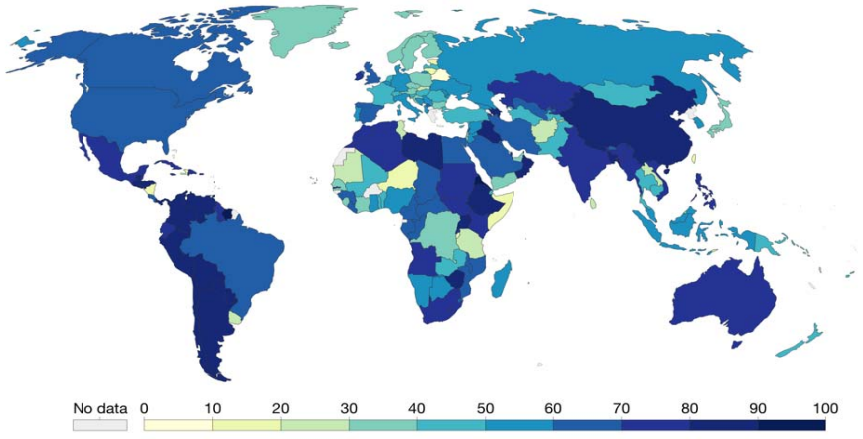
The policy measures in place to address the pandemic represent a relevant indicator to see the scope of measures to contain the spread of the virus in individual countries. A comprehensive measure of regulatory measures was developed by researchers of the Blavatnik School of Government at the University of Oxford, who publish the Corona virus Government Response Tracker (OxCGRT).[xxxv]The OxCGRT is used to calculate the Government Stringency Index mapping the government response to COVID-19 pandemic. It includes nine indicators: school closure, workplace closures, cancelations of public events, restrictions on public gatherings, closures of public transport, stay-at-home requirements, public information campaigns, restrictions on internal movements and international travel controls. Thus, this indicator allows to track the strictness of policy measures introduced in individual countries over time and compare the measures in place in different countries. Potentially, it can help to understand the effectiveness of different types of epidemiological measures for decreasing the spread and the impact of pandemic. Also, since the epidemiological situation has been different in individual countries, it is important to understand the reasons behind. Obviously, one of the important factors are implemented government policies.

Figure 1. COVID-19: Government Response Stringency Index, on March 31st, 2020 and August, 31st, 2020

A) March 31st, 2020



B) August, 31st, 2020



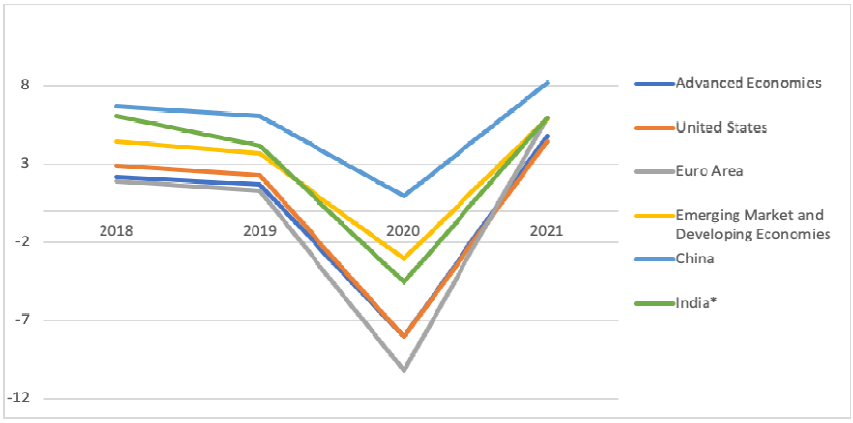
Source: Hale, Webster, Petherick, Phillips, and Kira (2020). Oxford COVID-19 Government Response Tracker – Last updated 6 September, 13:30 (London time)
Note: This index simply records the number and strictness of government policies, and should not be interpreted as 'scoring' the appropriateness or effectiveness of a country's response.
OurWorldInData.org/coronavirus • CC BY

As can be seen from the Figure 1 above, between 31st March and 31st August 2020, the Government Response Stringency Index decreased globally, which indicates that on average, countries have decreased the stringency of their government response to the COVID-19 pandemic as assessed by the containment measures included in the Index. As stated above, the relaxation of these measures was associated with the increasing numbers of active cases.

Strict containment measures had a pronounced effect on the economic activity. The studies to estimate the scope of this impact are only beginning to be published. One of the early studies is the study by Deb et al. (2020), who conclude that on average, the containment measures had a very large impact on economic activity. They estimate this impact to be equivalent to the loss of about 15 percent in industrial production over a 30-day period, which followed their introduction. They also conclude that the workplace closures and the stay-at-home measures are effective in mitigating the infections, but they are associated with the largest economic costs.

According to the IMF World Economic Outlook published in June 2020 (IMF, 2020), the global economic growth is expected to decrease by 4.9 percent in 2020. Based on the IMF estimates, in the first half of 2020, the COVID-19 pandemic had a more negative impact on economic activity than originally expected. The IMF also predicts that the economic recovery is going to be gradual and the global economic growth will reach 5.4 percent in 2021. If these estimates materialized, it would mean that in 2021 the global economy would be above its level at the beginning of 2020. However, since there is a lot of uncertainty about the future development, it remains to be seen, if these predictions are not to be adjusted downwards. Also, as shown by the IMF data (see Figure 2), an adverse economic impact of COVID-19 pandemic is not equally distributed across different countries. Also, not all income groups are equally affected by the effects of pandemic. According to the IMF (2020), the impact of pandemic on low-income households is going to be especially harsh. This situation can mitigate the progress, which was achieved in the effort to reduce extreme poverty in the world in the last few decades.

Figure 2. Economic growth projections (real GDP, annual percentage change)



Note: years 2020, 2021 – projections

* For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.

Source: World Economic Outlook Update, June 2020, Data processed by the author

The IMF projections of the dynamics of GDP during the first-quarter of 2020,generally point to a sharp drop in the economic activity with some exceptions of a few countries from among emerging economies, e.g. China, India, Malaysia, and Thailand, and from among developed ones, e.g. Australia, Germany, and Japan. However, during the second quarter of 2020 also these countries experienced a more severe contraction. China, which after the lock-down and the containment of pandemic in the first quarter of 2020, could ease its lock-down measures and the economy early on in the second quarter. Figure 2 indicates the annual real GDP percentage change in 2018 and 2019 and its projections for 2020 and 2021 for selected countries and groups of countries. As can be seen from the Figure 2, individual countries reached the lowest point in terms of their economic growth at the same time point. However, the depth of this decline is not the same for all countries. By far the sharpest decline is predicted for the Euro Area, followed by the US and advanced economies as a group. On the other hand, China, which experienced the most dynamic economic growth before the onset of pandemics, is predicted to have the lowest decline of its GDP growth and also, its recovery is predicted to be the fastest. It should be noted that China is predicted to sustain its economic growth throughout 2020 and 2021, in spite of the sharp decline of its dynamics in the first half of 2020. However, India, which had the growth rate not much lower compared to China before the onset of pandemics, is forecasted to go into recession in 2020, but then to experience a rather speedy return to its pre-pandemics growth rate.

When looking at the sectoral impact of the pandemic, the IMF data also point to the sharp drop of consumption and of the service sector activity. This is different from most other recessions, when the investment drops more than the consumption. In “standard” recessions, if consumer income drops due to the economic downturn, they use their savings to maintain the level of consumption. But, the drop of consumption during the lock-down and epidemiological containment measures can be attributed on one hand to the fact that most physical retail outlets were closed, but, on the other hand, also to the pessimistic sentiment of consumers and to weakening of their confidence as a consequence of the uncertainty of their future prospects. During the first phase of pandemic, also the firms decreased their investment due to the decreasing demand for their products and the distortions in the supply chains. Global character of the pandemic and related closure of borders led to the decline in global trade, which further exemplified the economic downturn.

Obviously, this development also affected the labour markets, since the decline in the demand for products and reduced production volumes require less labour. In their effort to help the businesses to overcome this (presumably) temporary situation, especially in Europe governments introduced temporary employment support schemes to cover a part of the labour cost during the period of the economic decline. In countries, where the labour markets are more flexible, such as the US, the impact of the pandemic on the growth of unemployment rates has been very fast and pronounced. According to the International Labour Organisation (ILO, 2020), in 2020 the global decline of employment is expected to reach 305 million. Compared to the fourth quarter of 2019, ILO predicts the overall deterioration in employment of 10.5 percent, but this estimate can increase with the expend of the lock-down measures during subsequent waves of the pandemic. ILO also points out that even though this development concerns all regions of the world, the US labour market is most affected.

Workers in the informal economy are to be affected especially harshly. According to ILO the jobs of about half of the population (1.6 billion) working in the informal economy are threatened by current pandemic. Thus, according to these estimates out of approximately 2 billion informally employed workers worldwide close to 80 percent have been significantly affected by the pandemic, since they usually work in most affected sectors such as wholesale, manufacturing, hospitality services and real estate. People working in informal economy belong to most vulnerable groups of population and their capacity to earn living is strongly undermined. According to ILO estimates, during the first month of the crisis, the income of informal workers decreased by 60 percent and this drop was largest in Americas and Africa.

Most workers working in most affected sectors are low skilled workers and do not have the opportunity of working from home.Also, income losses appear to be unevenly distributed across genders, with women being more severely affected in some countries.

The governments reacted to economic shocks brought by the pandemic with active fiscal and monetary policy, even though it was not very clear, what measures would work best for supporting the economy. Deb et al (2020) studied the effectiveness of the fiscal and monetary policy measures used to combat the economic impacts of pandemic and their preliminary findings indicate that the introduced policy measures have been effective in mitigating some of the related economic costs and contributed to reducing negative effects of the containment measures. Thus, the containment measures generated the loss of industrial production of about 22 percent in those countries that have used limited fiscal and monetary policy stimulus. Their results suggest that short-term economic losses from the pandemic have been larger in those countries, which used less fiscal stimulus and applied a more limited monetary policy easing. They arrived at these conclusions based on the analysis of the impact of fiscal stimulus on the changes in NO_2 emissions, since they can serve as a proxy for changes in the economic activity. The preliminary evidence from this research indicates that even though workplace closures, cancellations of events and stay-at-home requirements belong to most effective containment measures to curb the spread of the infections, they are also economically most costly. On the other hand, they find restrictions on international travel also effective in lowering the spread of the virus, but much less costly. Even though the easing of the containment measures led to the increase of economic activity, it has not led to the levels of economic activity observed before their introduction. They also emphasize the need for quantification of lock-down measures, since it can help to understanding of the trade-offs between the cost related to the loss of economic activity and the benefits related to the minimisation of health risks.

Chinazzi et al. (2020) studied the impact of travel restrictions on the spread of the virus on the case of mainland China and conclude that this measure is effective in decreasing the spread of the virus. Koh et al. (2020) studied the impact of complete travel bans and of all forms of lockdown-type measures and concluded that they have been effective in reducing the average virus reproduction number if they were implemented early, i.e. the lock-down measures about two weeks before the 100thcase and the travel bans a week before the detection of the first case. They conclude that theircombination with

early implemented physical distancing measurescan be effective for containing the spread of the COVID-19 virus. However, they also conclude that in case of an uncontrolled outbreaka full lockdown is required, which brings huge economic consequences as witnessed during the first wave of the pandemic.

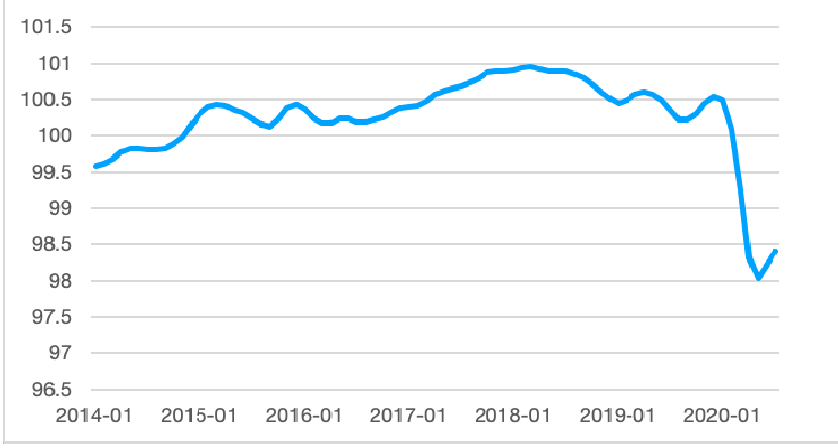
2. Consumer and business sentiment COVID-19

As stated above, the consumer sentiment was negatively affected by the spread of the pandemic around the globe. During the first phase of the pandemic as countries went into the lock-down and introduced strict containment measures, the consumer sentiment has quickly deteriorated.In the next phase, as the lock-down measures were largely lifted and societies learn to live with the virus, the improvements in consumer sentiment have also been observed.

The OECD publishes the Consumer Confidence Index(CCI) for OECD countries. This indicatoris also used as an indicator of future developments of households' consumption and savings. The index is constructed using the answers from the survey related to the expected financial situation, the sentiment of consumers about the overall economic situation, the unemployment and the ability of consumers to save. The values above 100 indicate optimism of consumers, the values below 100 indicate their pessimistic attitudes towardsfuture economic developments. If consumers are pessimistic, it could lead to theirincreased tendency to save, or to reduce consumption.

Figure 3 indicates the dynamics of the Consumer Confidence Index between 2014 and 2020. As can be seen from the Figure, during the considered period, the consumer confidence has never been so deeply pessimistic as during the first half of 2020. Also, it should be noted that during the second half of 2020 the consumer confidence started to improve, but it remains to be seen, how the consumers will react to the second way and possible further subsequent waves of the pandemic and related developments in their economies and in societies.

Figure 3. Consumer Confidence Index



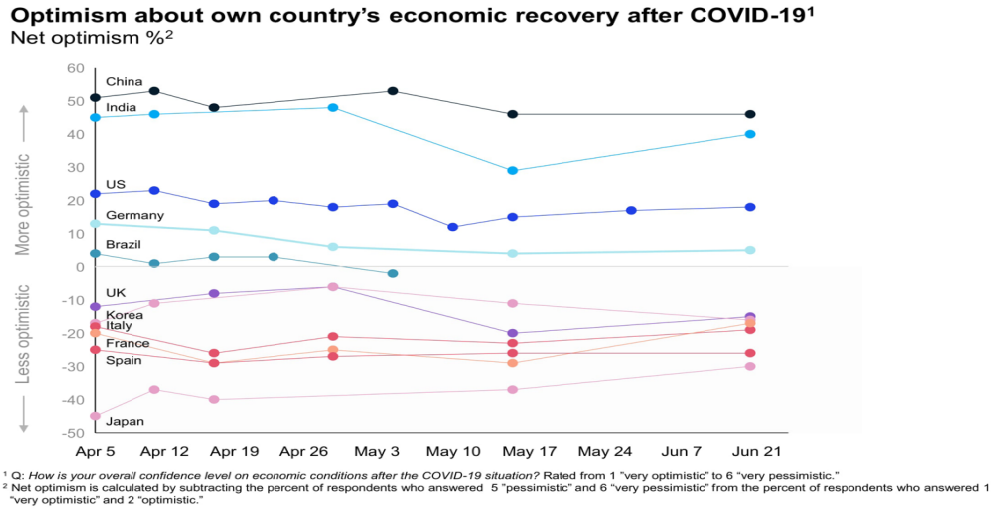
Source: OECD (2020), Consumer confidence index (CCI) (indicator).

doi: 10.1787/46434d78-en, Accessed on 01 September 2020

According to the findings of the consulting firm McKinsey&Company(2020), five aspects have become evident in the behaviour of consumers globally as a reaction to the COVID-19 situation: a) a shift to value and essentials, b) the flight to digital and omnichannel, c) the shock to loyalty, d) the turn towards the health and caring economy, and e) the homebody economy. Similarly to other studies mentioned above, they also point out that the economic downturn led to the decreased income of consumers, which creates a barrier for their sentiment to become more optimistic.

Consumers have also become more careful about their spending, since they expect that the impact of the COVID-19 will also continue also in the upcoming months. As a consequence, they have shifted their spending largely to essential goods such as groceries and household supplies. The pandemic has led to the shift of consumers towards the online shopping and this change is expected to persist alsoin the upcoming months. One of the consequences of COVID-19 pandemic has been the disruption of the supply chains, which might have caused the unavailability of some brands on the market. This situation affected consumers and forced them to the switch from their favourite brands to different brands, or retailors. Also, the epidemic generated increased focus of consumers on hygienic packaging and hygienic norms for employees of firms producing consumables. The survey carried out between March and June 2020 by McKinsey&Company(2020) shows that during that period more than 70 percent of consumers did not feel comfortable resuming their "normal" outside of homes activities. Even though after the containment measures were eased many of them returned to the grocery shopping and socializing with friends, they continued to avoid travelling and crowded places.[xxxv]When looking at the consumer sentiment across countriesbetween April and June 2020 (Figure 4), China, India, and the US represented the most optimistic countries, on the other hand, consumers in most European countries, Korea and Japan were more pessimistic about the economic recovery.

Figure4. Dynamics of consumers entiment in selected countries (April-June 2020)



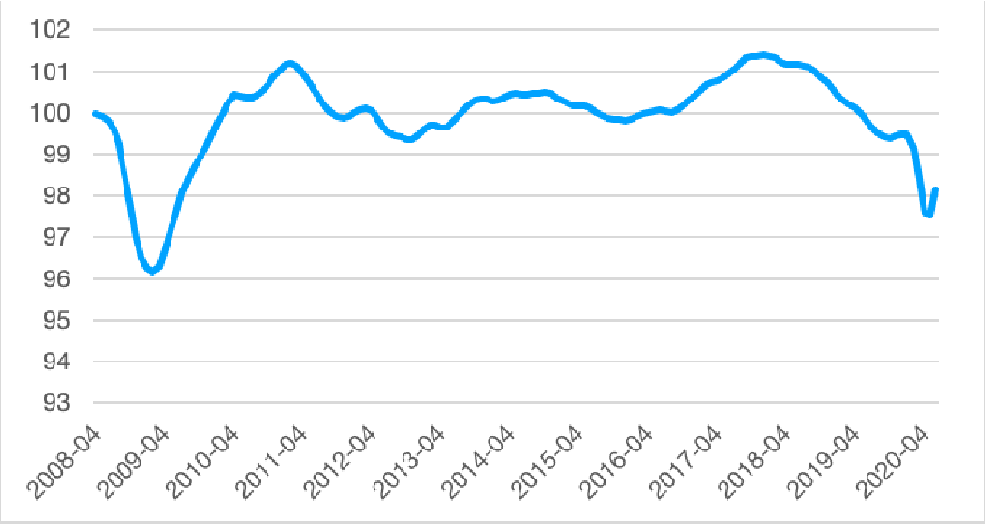
¹ Q: *How is your overall confidence level on economic conditions after the COVID-19 situation?* Rated from 1 "very optimistic" to 6 "very pessimistic."
² Net optimism is calculated by subtracting the percent of respondents who answered 5 "pessimistic" and 6 "very pessimistic" from the percent of respondents who answered 1 "very optimistic" and 2 "optimistic."

Source: McKinsey& Company, COVID-19Pulsesurveys, conductedgloballybetweenMarch 15 and June 21, 2020

https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/a-global-view-of-how-consumer-behavior-is-changing-amid-covid-19

Next to the consumer sentiment, OECD also monitors the dynamics of the business confidence in the OECD countries using the Business Confidence Indicator (BCI). Similarly to the Consumer Confidence Index, the Business Confidence Indicator also captures the opinions of businesses related to expected developments in production, orders and stocks of finished goods in the industry sector. The indicator above 100 indicates high confidence, on the other hand, if the BCI falls below 100 it indicates pessimism of businesses with regard to the future business outlook. As can be seen from Figure 5 in OECD countries the business confidence has been deteriorating since 2018, i.e. before the COVID-19 pandemic, however, as a consequence of the pandemic it has further dropped sharply. Nevertheless, it should be also noted that in the first half of 2020the business confidence has not dropped below the level it reached during the economic crisis in 2009. Also, in the second half of 2020, the business sentiment has started to improve.However, its further dynamics will depend on the development of the epidemiological situation, containment measures and also on their economic consequences.

Figure 5. Business Confidence Index



Source: OECD (2020), Business confidence index (BCI) (indicator).

doi: 10.1787/3092dc4f-en, Accessed on 01 September 2020

3. The impact of economic downturn on the media landscape

As explained above, the COVID-19 pandemics has had significant adverse impacts on the global economy and brought it to the recession. Nevertheless, when looking at the impact of the pandemics on media, we should note that the demand and interest in information related to the pandemics of COVID-19 and its effects has increased, which led to the increased demand for media coverage. However, this effect has not been equally distributed across all types of media.

The market research published by Into the minds in May 2020 (Schwab, 2020) studied the effects of COVID-19 pandemics on different types of media. They conclude that during the observed period the time spent in front of the TV has reached its anytime high, e.g. 4.5 hours in France, 3.5 hours in Belgium, 3 hours in the United Kingdom of TV watching on average per day. This might be a surprising finding, since before the pandemics the time spent watching TV had been decreasing, which can be attributed, e.g. to the spread of online media. According to the estimates of this study (Schwab, 2020) on average the situation generated by the COVID-19 pandemic is expected to increase the time spent watching TV by 10 percent. In terms of the content broadcasted via TV, the lock-down and social distancing measures led to cutting the live shows and replacing them with other programmes, e.g. replaying older programmes, but also the developing new types of programmes using online media to engage the audience or actors/anchors in real time. The pandemics has also negatively affected the sales of an advertising space of TV channels, which had pronounced impact especially on private broadcasters. According to the market research (Schwab, 2020), in some cases, the loss of revenue in March/April 2020 might have exceeded 50 percent and requires large budget cuts of the TV broadcasters (Schwab, 2020).

An increasing share of media consumers has turned towards the online media. During the first months, the streaming sites have attracted large number of new customers, e.g. in the first quarter of 2020 the subscriptions of Netflix increased by 22.8 percent and its revenues increased more than originally predicted for the whole of 2020. Another streaming site, **Disney+ has reached 50 million subscribers worldwide 2 years earlier than originally planned**(Schwab, 2020).**However, the advertising revenues of social media are expected to decrease, and this decrease concerns also** advertising revenues of such giants as Google, or Facebook. Also, the data indicates an increased use of radio services during the first months of pandemic, when lock-down measures had been in place and the mobility of the population was substantially reduced. This is surprising, since the radio is usually listened to during a car drive and during the strict containment measures in place the commuting of people was reduced. At the moment it remains to be seen, if the shift towards the increased consumption of radio services is a general trend and if it continues also in the upcoming months.

Schwab (2020) concludes that the impact of pandemic on print media has also not been uniformed. The newspapers, which already have a digital version and those, which have high percentage of subscribers, have been doing better economically, since the pandemic has exacerbated the growing trend towards the use of the digital format of newspapers. At the same time, the demand for

hardcopies of newspapers has declined, which negatively affected especially those outlets, which rely on this type of the content provision.

However, the impact media have on the opinions of people consuming them should not be neglected. In this regard media have impact on the perception of the COVID-19 pandemic. Looking at the media sector in the UK, the study of BVA, BDRC (2020)indicates that the attitudes of people to corona virus could be driven by the type of media consumed. Their analysis of the data indicates that respondents, who supported the use of pragmatic policies towards COVID-19 situation, most frequently used the television and had relatively low levels of other media consumption. They also found that TV channels were less likely than other media to question the government handling of the pandemic and to criticise introduced measures. They also found that the respondents with an opinion that in spite of the COVID-19 pandemic the life goes on were most frequent users of the print media. The newspapers/print media are more likely to present a variety of opinions on different aspects of the pandemic. Consequently, readers of the print media are likely to be more exposed to different viewpoints about the pandemics and related situation than those, who focus on obtaining the information from other sources. These findings confirm that the type of media a person consumes affects their views on the situation. Thus, media have substantial influence on forming public opinion with regard to the COVID-19 pandemic.

Casero-Ripollés (2020) studied the secondary data from the online surveys of the Pew Research Center's American Trends Panel in the US and compared the data before and after the outbreak of the pandemic. The results of this study also confirm the resurgence of the role of television, but also the fact that people, increasingly sought the information from the news.

It is important to consider the effect of COVID-19 on the media landscape from medium and long-term perspective. According to Schwab (2020) there will be the need for freeze/cut of expenditures in individual types of media, which on one hand, will affect the employment in the sector, but it will also lead to changes in the type of the programmes produced. The IT infrastructure can be considered a priority. It remains to be seen, if the decrease of the social media advertising will be only temporary and it picks up again in 2021. The print media, which have not managed the transition towards the digital format are expected to be discontinued. Also, the success of print media to build the customer loyalty may represent a factor, which will determine the future existence of individual outlets.

The increasing role of media in shaping public opinion during the COVID-19 pandemic has also been confirmed by the study of the perceptions of people in the Czech Republic during the first wave of the COVID-19 outbreak (Trnka and Lorencova, 2020). It led to the conclusion that pessimistic communication used by the Czech mass media contributed to intensifying traumatic feelings, fears and psychological distress among general public in the Czech Republic. Media coverage can also affect the epidemiological situation, since effective media information campaigns have the potential to reduce the spread of the virus. Chang et al.(2020) built an SIHRS epidemic model with the media coverage, which was based on the epidemiological situation of the spread of COVID-19 in Hubei, China. Their results have shown that if the information implementation rate was decreased, the peak of confirmed cases would be significantly increased, and it would be delayed. Thus, in an effort to

carry out better prevention measures after the containment measures are eased, it is important to maintain the quantity of information provided and the existing media coverage of the pandemic.

Conclusions

The pandemic of COVID-19 has had negative effects on the world, affecting economies around the globe and bringing recession, which is perceived to exceed the financial crisis in the first decade of the new millennium. Its depth is being compared to the Great Depression during 30th of 20thcentury. In this chapter, we have shown that the effects of the pandemic have affected the consumer and business sentiment, which exacerbated a negative demand shock and further contributed to the deepening of the recession. Thus, the combination of a negative supply shock caused by the containment measures and the distortions of international supply chains combined with the drop of the demand have led to an abrupt and steep drop of the economic activity. Nevertheless, even though not all sectors of the economy and not all economies have been hit by these shocks to the same extent, the forecasts show that the economic output as well as other macroeconomic indicators are being affected globally.

The shock caused by the pandemic took most countries by surprise. They had to reshuffle their resources and build up their health care capacities to care for infected people suffering from the disease caused by the virus. As the first wave of the virus got under control in most countries, the containment measures started to be eased and the economic activity and the population mobility to increase. As we have shown, during this phase, the business and consumer sentiment has been improving, even though not to the same degree in each country. The loosening of measures and the opening of the economies generated the increase of the number of active cases and led to the onset of the second wave of the pandemic. During this phase, in general, countries have been more reluctant to implement harsh containment measures to decrease the economic and social impacts of the pandemic. It remains to be seen, how the situation develops, however, it is expected that the scope of the second wave will be globally larger than the first one. It is expected that the situation can be ultimately resolved only by the availability of an effective vaccine.

We have shown that the media play an important role in facilitating the access of population to information about the pandemic. However, as we have pointed out above, as a consequence of the pandemic, the media landscape is also changing, e.g. the print media not successful in their transition towards the digital interface experiencing economic losses and those, which have embraced the digitalization facing increased demand and economic boost. An increased demand for the content of streaming platforms and for traditional TV broadcasting represents an interesting phenomenon. It remains to be seen, if these changes will be sustained in the medium and long-term horizons.However, it is predicted that our societies and economies will change as a consequence of the pandemic andit is realistic to expect that the changed media landscape will be an integral part of these changes.

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