



Big hit to economic growth in H1 from Covid-19

- Coronavirus pandemic and associated **containment measures** caused very deep global recession in H1 2020
- Eurozone **GDP down** 12.1% in Q2 after 3.6% fall in Q1; US at -8.2% in Q2, UK -20%
- **OECD and IMF** see the biggest fall in world GDP in 2020 since the 1930s Great Depression – forecasting average output declines of 7.5-8.0% in advanced economies this year
- Very **uneven impact across sectors**, with areas such as hospitality/travel/live entertainment hit very hard by lockdowns and ongoing social distancing
- Both **fiscal and monetary policy** primed to continue supporting economies, with very extensive loosening measures aimed at aiding households/businesses/financial system
- Rise in **unemployment contained** by furlough and other government income support schemes
- Enormous **uncertainty** about economic outlook as many unknowns; future course of virus, how successfully will countries exit lockdowns, extent of business closures/ job losses etc.
- Strong growth expected in H2 2020 & 2021, but take **until 2022 to recover** fully from recession