

# Macroeconomic Aspects of the Corona Crisis in Israel



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Under COVID-19, Israel's economy suffered in 2020 from the most severe recession in its history. Existing forecasts predict a sharp fall in GDP per-capita and a rise in the unemployment rate, broadly defined to include employees on leave without pay, to a double-digit level. Israel's favorable initial conditions enabled policy makers to conduct highly expansionary fiscal and monetary policies to deal with the recession. Overall, the economy's performance turned out to be quite similar to that of the average advanced country. Looking ahead to the expected new reality for the post-COVID-19 period, the key macroeconomic challenge will be to have a smooth transition of the labor market to the new conditions, including a rapid convergence to full employment.

## The Corona Crisis and the Economy – Past, Present and Future



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The Coronavirus pandemic (COVID-19) has become one of the most influential global events of the last two decades. The healthcare implications and the efforts to contain the virus are evident in every aspect of our lives, and have also led to a widespread economic crisis. This paper will cover dozens of academic research papers, most of which were published between April and July of 2020. It will first review the short-term and long-term implications of past pandemics. Then it will report how the current pandemic is affecting civilians, businesses, capital markets and countries. Last, it will try to identify several trends that could impact the economy in the near to medium future.